

DATE: July 28, 2021

STAMPEDE DRILLING INC. ANNOUNCES 2021 SECOND QUARTER RESULTS

CALGARY, ALBERTA – Stampede Drilling Inc. ("Stampede" or the "Corporation") (TSX-V: SDI) announces today its financial and operational results for the three and six month period ended June 30, 2021.

The following press release should be read in conjunction with the December 31, 2020 audited consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), and the annual information form ("AIF") for the year ended December 31, 2020, as well as the condensed unaudited consolidated interim financial statements and notes for the three and six month period ended June 30, 2021 and 2020. Additional information regarding Stampede, including the AIF, is available on SEDAR at www.sedar.com.

All amounts or dollar figures are denominated in thousands of Canadian dollars except for per share amounts, number of drilling rigs, and operating days, or unless otherwise noted.

Estimates and forward-looking information are based on assumptions of future events and actual results may vary from these estimates. See "Forward-Looking Information" in this press release for additional details.

FINANCIAL SUMMARY

(000's CAD \$ except per share amounts)	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Revenue	4,640	275	1,587%	16,501	11,165	48%
Direct operating expenses	2,804	142	1,875%	10,017	7,503	34%
Gross margin ⁽¹⁾	1,836	133	1,280%	6,484	3,662	77%
Net income (loss)	(153)	(1,878)	92%	2,255	(743)	403%
Basic and diluted per share	(0.00)	(0.01)	nm	0.02	(0.01)	nm
Adjusted EBITDA ⁽¹⁾	1,226	(417)	394%	5,143	2,167	137%
Weighted average common shares outstanding	132,166	132,046	0%	132,166	132,046	0%
Weighted average diluted common shares outstanding	132,166	132,046	0%	132,166	132,046	0%
Capital expenditures	626	4	nm	1,419	709	100%
Average active rig count	10	10	0%	10	10	0%
Drilling rig utilization	26%	0%	nm	47%	29%	62%
CAODC industry average utilization ⁽²⁾	15%	4%	275%	21%	20%	5%

nm - not meaningful

⁽¹⁾ Refer to "Non-GAAP Measures" for further information.

⁽²⁾ Source: The Canadian Association of Oilwell Drilling Contractors ("CAODC") monthly Contractor Summary. The CAODC industry average is based on Operating Days divided by total available drilling days.

SECOND QUARTER 2021 OPERATIONAL OVERVIEW

For the three month period ended June 30, 2021, the Corporation recorded adjusted EBITDA of \$1,226, up 394% from an adjusted EBITDA loss of (\$417) and a net loss of (\$153), down 91% from a net loss of (\$1,878) and as compared to the 2020 corresponding period. The Corporations quarterly utilization rate for Q2 2021 was 26%, 73% higher than the CAODC industry average for Q2 2021 of 15%.

During Q2 2021, the Corporation qualified for the Canadian Federal Government's Canadian Emergency Wage Subsidy program ("CEWS") which was used to reduce employee related salary expenses and help minimize reduction in headcount. For the three months ended June 30, 2021, the Corporation recorded \$727 against cost of sales and \$95 against salaries and benefit expenses.

The Corporation continues to maintain a strong emphasis and focus on safety, culture and performance as drilling activity continues to improve and is very pleased with the results being achieved. With the increased utilization, the Corporation continued to proactively respond to the safety challenges associated with the COVID-19 pandemic and remains committed to ensuring the health and safety of all its personnel and the safe, efficient and reliable operations at each of its drilling sites.

OUTLOOK

The 2021 second quarter results exceeded the Corporation's expectations. Rising commodity pricing and corresponding producer cash flows increased drilling activity in Western Canada as compared to 2020. Due to a mild spring break-up and earlier than average seasonal recovery the Corporation was able to keep rigs going through April into June which contributed to the positive results. Based on current macroeconomic conditions and improving commodity prices the Corporation is anticipating overall industry improvements in the second half of 2021 as customers slowly increase capital spending while continuing to focus on controlling costs and improving their balance sheets.

RESULTS FROM OPERATIONS FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2021

(000's CAD \$ except operating days)	Six months ended June 30,		
	2021	2020	% Change
Revenue	16,501	11,165	48%
Direct operating expenses	10,017	7,503	34%
Gross margin ⁽¹⁾	6,484	3,662	77%
Gross margin %	39%	33%	18%
Net income (loss)	2,255	(743)	403%
General and administrative expenses	1,777	1,859	(4%)
Adjusted EBITDA ⁽¹⁾	5,143	2,167	137%
Drilling rig operating days ⁽²⁾	846	531	59%
Drilling rig revenue per day	19.5	21.0	(7%)
Drilling rig utilization	47%	29%	62%
CAODC industry average utilization ⁽³⁾	21%	20%	5%

nm - not meaningful

⁽¹⁾ Refer to "Non-GAAP measures" for further information.

⁽²⁾ Defined as contract drilling days, between spud to rig release

⁽³⁾ Source: The Canadian Association of Oilwell Drilling Contractors ("CAODC") monthly Contractor Summary.

The CAODC industry average is based on Operating Days divided by total available drilling days.

- Revenue for the six month period ended June 30, 2021 was \$16,501, up \$5,336 (48%) compared to \$11,165 for the corresponding 2020 period. Overall, the increase was a result of higher customer activity levels and related increased drilling activity. Crude oil and liquids pricing reached historic lows in the prior year comparative period, which resulted in production shut-ins and minimal drilling activity. The lower revenue per day was due to increased market pricing pressures during Q1 2021 as compared to the corresponding 2020 period.
- The Corporation had a total of 846 operating days in for the first half of 2021, an increase of 315 operating days (59%) from the 531 operating days in the corresponding 2020 period. The drilling rig utilization for the first half of 2021 was 47%, which was a 62% increase from the corresponding 2020 period and 124% higher than the CAODC industry average utilization rate of 21% for 2021.
- Gross margin for the six month period ended June 30, 2021 was 39%, up 18% from 33% as compared to the corresponding 2020 period. The increase in 2021 gross margin was primarily due to the \$1,596 of CEWS funding the Corporation qualified for the six months ended June 30, 2021 which was recorded against cost of sales and partially offset by the lower revenue per day. The Corporation did not record any CEWS against cost of sales for the six month period in 2020.
- For the six month ended June 30, 2021, general and administrative expenses were \$1,777 down \$82 (4%) from \$1,859 as compared to the corresponding 2020 period. The Corporation implemented cost cutting initiatives in March 2020 due the decreased drilling activity in Western Canada which was a result of record low commodity pricing and COVID-19. In April 2021, the Corporation reinstated the 2020 salary roll backs for its employees. The Corporation continues to maintain cost control measures limiting discretionary spending.
- Due to the above information, Adjusted EBITDA and net income for the six month period ended June 30, 2021 were \$5,143 and \$2,255, respectively. Adjusted EBITDA was up 2,976 (137%) from \$2,167, and net income was up \$2,998 (403%) from a net loss of \$743 from the 2020 corresponding period.

NON-GAAP MEASURES

This MD&A contains references to (i) Adjusted EBITDA and (ii) Gross margin. These financial measures are not measures that have any standardized meaning prescribed by IFRS and are therefore referred to as non-GAAP (Generally Accepted Accounting Principles) measures. The non-GAAP measures used by the Corporation may not be comparable to similar measures used by other companies.

- (i) Adjusted EBITDA is defined as "income (loss) from operations before interest income, interest expense, taxes, transaction

costs, depreciation and amortization, share-based compensation expense, gains on disposal of property and equipment, impairment expenses, other income, foreign exchange, non-recurring restructuring charges, finance costs, accretion of debentures and other income/expenses, and any other items that the Corporation considers appropriate to adjust given the irregular nature and relevance to comparable operations.” Management believes that in addition to net and total comprehensive income (loss), Adjusted EBITDA is a useful supplemental measure as it provides an indication of the results generated by the Corporation’s principal business activities prior to consideration of how these activities are financed, how assets are depreciated, amortized and impaired, the impact of foreign exchange, or how the results are affected by the accounting standards associated with the Corporation’s stock-based compensation plan. Investors should be cautioned, however, that Adjusted EBITDA should not be construed as an alternative to net income (loss) and comprehensive income (loss) determined in accordance with IFRS as an indicator of the Corporation’s performance. The Corporation’s method of calculating Adjusted EBITDA may differ from that of other organizations and, accordingly, its Adjusted EBITDA may not be comparable to that of other companies.

(000's CAD \$)	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Net income (loss)	(153)	(1,878)	92%	2,255	(743)	403%
Depreciation	1,121	1,233	(9%)	2,272	2,425	(6%)
Finance costs	161	157	3%	344	378	(9%)
Other income	(2)	(18)	(89%)	(8)	(42)	(81%)
Gain from equipment lost in hole	-	-	nm	(39)	-	nm
Share-based payments	91	66	38%	276	161	71%
Foreign exchange gain (loss)	8	23	(65%)	43	(12)	(458%)
Adjusted EBITDA	1,226	(417)	394%	5,143	2,167	137%

nm - not meaningful

- (ii) Gross margin is defined as “gross profit from services revenue from continuing operations before stock-based compensation and depreciation”. Gross margin is a measure that provides shareholders and potential investors additional information regarding the Corporation’s cash generating and operating performance. Management utilizes this measure to assess the Corporation’s operating performance. Investors should be cautioned, however, that gross margin should not be construed as an alternative to net income (loss) and comprehensive income (loss) determined in accordance with IFRS as an indicator of the Corporation’s performance. The Corporation’s method of calculating gross margin may differ from that of other organizations and, accordingly, its gross margin may not be comparable to that of other companies.

(000's CAD \$)	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Income (loss) from operations	794	(999)	179%	4,372	1,440	204%
Depreciation of property and equipment	1,042	1,132	(8%)	2,112	2,222	(5%)
Gross margin	1,836	133	1,280%	6,484	3,662	77%
Gross margin %	40%	48%	(17%)	39%	33%	18%

nm - not meaningful

FORWARD-LOOKING INFORMATION

Certain statements contained in this News Release constitute forward-looking statements or forward-looking information (collectively, "forward-looking information"). Forward-looking information relates to future events or the Corporation's future performance. All information other than statements of historical fact is forward-looking information. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "could", "should", "believe", "predict", and "forecast" are intended to identify forward-looking information.

This News Release contains forward-looking information pertaining to, among other things: the impacts of COVID-19 and expectations and responses related thereto; the Corporation's performance and safety record and expectations related thereto; expectations associated with the Corporation's outlook, including among other things, anticipated commodity pricing and expectations related to industry improvements, and expected capital spending of the Corporation's customers; and the Corporation's ability to maintain cost control measures, among others.

Forward-looking information is presented in this News Release for the purpose of assisting investors and others in understanding certain key elements of the Corporation's financial results and business plan, as well as the objectives, strategic priorities and

business outlook of the Corporation, and in obtaining a better understanding of the Corporation's anticipated operating environment. Readers are cautioned that such forward-looking information may not be appropriate for other purposes.

Forward-looking information, by its very nature, is subject to inherent risks and uncertainties and is based on many assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from the expectations of the Corporation expressed in or implied by such forward-looking information and that the Corporation's business outlook, objectives, plans and strategic priorities may not be achieved. Macro-economic conditions, including public health concerns (including the impact of the COVID-19 pandemic) and other geopolitical risks, the condition of the global economy and, specifically, the condition of the crude oil and natural gas industry, and the ongoing significant volatility in world markets may adversely impact drilling and completions programs, which could materially adversely impact the Corporation. In addition to other factors and assumptions which may be identified in this News Release, assumptions have been made regarding, among other things: the condition of the global economy, including trade, public health (including the impact of the COVID-19 pandemic) and other geopolitical risks; the stability of the economic and political environment in which the Corporation operates; the effect that improving commodity prices will have on the industry in which the Corporation operates and the Corporation; the success of the measures implemented by the Corporation to ensure the safety of its field and office employees and safe, efficient and reliable operations at each of its drilling sites; the creditworthiness of the Corporation's customers; the effectiveness of the Corporation's financial risk management policies at ensuring all payables are paid within the pre-agreed credit terms; the ability of the Corporation to retain qualified staff; the ability of the Corporation to obtain financing on acceptable terms; the impact of increasing competition; the ability to protect and maintain the Corporation's intellectual property; currency, exchange and interest rates; the regulatory framework regarding taxes and environmental matters in the jurisdictions in which the Corporation operates; and the ability of the Corporation to successfully implement key cost and discretionary spending plan adjustments. Actual results and future events could differ materially from those expected or estimated in such forward-looking information. As a result, the Corporation cannot guarantee that any forward-looking information will materialize and we caution you against relying on any of this forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information.

Additional information on these and other factors are disclosed in the Corporation's management's discussion and analysis and annual information form each dated March 24, 2021, the Corporation's management's discussion and analysis dated July 28, 2021, and in other reports filed with the securities regulatory authorities in Canada from time to time and available on SEDAR (sedar.com).

Statements, including forward-looking information, are made as of the date of this News Release and the Corporation does not undertake any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. The forward-looking information contained in this News Release is expressly qualified by this cautionary statement.

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