



Stampede Drilling Announces Acquisition of Drilling Rigs and Related Assets and a \$22,500,160 to \$25,000,000 Million Equity Financing

CALGARY, August 3, 2022 – STAMPEDE DRILLING INC. (TSXV – SDI) ("**Stampede**", or the "**Corporation**") is pleased to announce it has entered into a purchase and sale agreement (the "**Agreement**") to acquire six drilling rigs and related assets (the "**Acquisition**") from a private company (the "**Vendor**") for total cash consideration of approximately \$21.5 million (the "**Purchase Price**"). The Purchase Price will be funded by proceeds from a concurrent short form prospectus offering of common shares ("**Offered Shares**") at a price of \$0.32 per Offered Share (the "**Offering Price**") for minimum gross proceeds of \$22.5 million and maximum gross proceeds of \$25 million (the "**Offering**"). The Acquisition and the Offering are expected to close on August 23, 2022, or such other date as may be agreed upon between the parties as described herein.

"The Acquisition will add six high quality drilling rigs that are well suited to work in several of the most active oil and gas plays in western Canada, furthering our goal to provide the safest and most efficient drilling services provider in Canada" stated Lyle Whitmarsh, President & Chief Executive Officer of Stampede.

Acquisition Highlights

Larger and more diverse fleet – increased fleet size and breadth of operations, allowing Stampede to better service its customers and capitalize on opportunities;

Significant cash flow generation – potential for strong free cash flow, which could improve Stampede's ability to pursue investment opportunities and enhance shareholder value;

Immediate synergies – expected to generate synergies through operating efficiencies;

Increased market capitalization and trading liquidity – potential for improved liquidity, greater institutional investor interest, improved cost of capital and future access to capital;

Strong balance sheet – Stampede's credit facility will be expanded from \$25 million to \$32.5 million, conditional on the closing of the Acquisition, providing increased financial flexibility; and

Accretive – the Acquisition is expected to be accretive to Stampede's cash flow per share.

Acquisition Details

Stampede will be acquiring six drilling rigs and related assets, comprised of two "doubles", three "heavy doubles" and one "super spec triple". Subject to the Corporation's expected investment of approximately \$5 million (an anticipated investment of approximately \$1 million per double rig) for required upgrades and recertification, Stampede anticipates that the two doubles and three heavy doubles will be working under short-term or long-term contracts by the end of 2022. The Corporation anticipates that the super spec triple rig will be ready for work in mid-2023 subsequent to an additional anticipated investment by the Corporation of approximately \$5 million to upgrade, refurbish and recertify the super spec triple. Stampede expects to enter into a first amending agreement with HSBC later today, which is expected to increase the total credit capacity to a maximum of \$32.5 million. Additional draws under Stampede's lending facilities will be used to fund the capital upgrades on the assets purchased pursuant to the Acquisition.

The Agreement was negotiated at arm's length and contains customary covenants, representations and warranties of and from each of the Vendor and the Corporation, and various conditions precedent with respect to the Vendor and the Corporation. Unless all such conditions are satisfied or waived by the party for whose benefit such conditions exist, the Acquisition will not proceed. In connection with the Acquisition, Stampede and the Vendor have also agreed to indemnify one another in certain circumstances.

Conditions to closing under the Agreement include, but are not limited to, the following: (a) the accuracy of each party's representations and warranties and the performance of their respective covenants; (b) the Offering shall be completed with proceeds sufficient to fund the Purchase Price; and (c) the absence of a material adverse change in the assets to be acquired.

The Agreement may be terminated prior to the closing of the Acquisition in certain circumstances, including by either the Corporation or the Vendor if the Acquisition is not consummated on or before September 30, 2022.

The Acquisition is expected to close immediately following the Offering on August 23, 2022, or such date as may be agreed upon by the Corporation and the Vendor, with the consent of the Lead Agent. The Acquisition is not a probable "significant acquisition" under applicable Canadian securities laws.

The Equity Offering

The Offering is being conducted by a syndicate of agents led by Peters & Co. Limited (the "**Lead Agent**"), and including Acumen Capital Finance Partners Limited, Lightyear Capital Inc. and Stifel FirstEnergy (collectively with the Lead Agent, the "**Agents**"). The Agents propose to sell, on a commercially reasonable efforts marketed basis, the Offered Shares at the Offering Price for minimum gross proceeds of \$22.5 million and maximum gross proceeds of \$25 million, prior to the exercise of any Over-Allotment Option (defined below).

The Offering is subject to customary closing conditions, including, but not limited to, the execution of an agency agreement, the closing of the Acquisition and the receipt of all necessary regulatory approvals, including the approval of the securities regulatory authorities and the TSX Venture Exchange (the "**TSXV**").

The Corporation has granted the Agents an option (the "**Over-Allotment Option**") to offer and sell that number of additional Offered Shares as is equal to 15 percent of the aggregate number of Offered Shares sold under the Offering on the same terms and conditions as the Offering. The Over-Allotment Option is exercisable at any time for a period of 30 days after the closing of the Offering.

The Offered Shares will be distributed by way of a short form prospectus in all provinces of Canada, other than Quebec, and in the United States on a private placement basis to a limited number of "accredited investors" pursuant to the registration exemption provided by Rule 506(b) of Regulation D under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**").

Pending closing of the Offering, all subscription funds will be deposited and held by the Lead Agent in trust, until the minimum Offering is raised, pursuant to the terms and conditions of an agency agreement to be entered into between the Corporation and the Agents. If the closing date does not occur within 90 days from the date a receipt is issued for the (final) short form prospectus or such other time as may be permitted by applicable securities legislation and consented to by persons or companies who subscribed within that period and the Agents, the Offering will be discontinued and all subscription monies will be returned to subscribers without interest, set-off or deduction. There can be no assurance as to whether or when the Offering may be completed, or as to the actual size or terms of the Offering.

The Offering is expected to close immediately prior to the Acquisition on August 23, 2022, or such other date as may be agreed upon by the Corporation and the Lead Agent.

No securities regulatory authority has either approved or disapproved of the contents of this news release.

UNITED STATES ADVISORY

The Offered Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws. Accordingly, the securities described herein may not be offered or sold in the "United States"

(as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to exemptions from such registration requirements. This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities of Stampede in any jurisdiction in which such offer, solicitation or sale would be unlawful. This news release does not represent an offer of securities for sale in the United States.

FORWARD-LOOKING STATEMENTS

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 Acquisition, including the terms thereof, the expected closing date and the anticipated benefits to the Corporation; the expected sources of funding for the Acquisition; the Offering, including the terms thereof, the use of proceeds and the expected closing date; the expected in-service date of the rigs to be acquired pursuant to the Acquisition; and estimated capital expenditures required to upgrade, recertify and refurbish the rigs to be acquired pursuant to the Acquisition; the anticipated timing of entering into the amended and restated credit facility with HSBC; and the use of funds from additional draws on the amended and restated credit facility, among others.

Forward-looking information is based on certain assumptions that the Corporation has made in respect thereof as at the date of this News Release regarding, among other things: oil and gas industry exploration and development activity levels and the geographic region of such activity; prevailing commodity prices, interest rates, carbon prices, tax rates and exchange rates; future operating costs; the ability of Stampede and the Vendor to satisfy the conditions to closing of the Acquisition in a timely manner and substantially on the terms thereof; that favourable circumstances continue to exist in respect of the operation of the assets acquired pursuant to the Acquisition; management's ability to successfully integrate the assets acquired pursuant to the Acquisition into the operations of the Corporation; the Corporation's ability to successfully contract out the rigs acquired pursuant to the Acquisition; that the Corporation can complete the necessary upgrades, recertification, and refurbishment of the rigs to be acquired pursuant to the Acquisition for the amounts estimated; the Corporation's ability to successfully complete the Offering; the ability of Stampede to satisfy the conditions to closing of the Offering, including the receipt of all necessary regulatory approvals, in a timely manner and substantially on the terms thereof; fulfillment by the Agents in respect of their obligations pursuant to the agency agreement; and that there are no unforeseen events preventing the performance of contracts or the completion of the relevant projects.

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.

While Stampede believes the expectations and material factors and assumptions reflected in the forward-looking information is reasonable as of the date hereof, there can be no assurance that these expectations, factors and assumptions will prove to be correct. Forward-looking information is not a guarantee of future performance and actual results or events could differ materially from the expectations of the Corporation expressed in or implied by such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information. All forward-looking information is subject to a number of known and unknown risks and uncertainties including, but not limited to: the condition of the global economy, including trade, inflation, the ongoing conflict in Ukraine and other geopolitical risks; the condition of the crude oil and natural gas industry and related commodity prices; other commodity prices and the potential impact on the Corporation and the industry in which the Corporation operates, including levels of exploration and development activities; the ability of Stampede and the Vendor to satisfy, in a timely manner, the other conditions to the closing of the Acquisition; the failure to realize the anticipated benefits and/or synergies of the Acquisition following closing due to integration issues or otherwise; failure to complete the Offering; the

impact of increasing competition; fluctuations in operating results; the ongoing significant volatility in world markets and the resulting impact on drilling and completions programs; foreign currency exchange rates; interest rates; labour and material shortages; cyber security risks; natural catastrophes; and certain other risks and uncertainties detailed in the Corporation's management's discussion and analysis and annual information form each dated March 24, 2022, for the year ended December 31, 2021, the Corporation's management's discussion and analysis dated July 28, 2022, and from time to time in Stampede's public disclosure documents available on SEDAR at www.sedar.com.

This list of risk factors should not be construed as exhaustive. Readers are cautioned that events or circumstances could cause actual results to differ materially from those predicted, forecasted, or projected. 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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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.