DATE: July 31, 2019

STAMPEDE DRILLING INC. ANNOUNCES 2019 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 periods ended June 30, 2019. The Corporation is pleased to announce its continued success on its previously announced strategic plan of expanding into the drilling rig business in Western Canada.

The following should be read in conjunction with the Corporation's unaudited condensed consolidated financial statements and the notes thereto for the three and six month periods ended June 30, 2019 and related management's discussion and analysis, which are 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.

OUTLOOK & 2019 OPERATIONAL OVERVIEW

The second quarter of 2019 saw a continuation of macro-economic factors that impacted activity in the WCSB, including a weak WTI price and the uncertainty and delays in pipeline expansion. Despite those negative external factors, the Corporation has been able to capitalize on opportunities which have resulted in increased Q2 2019 revenue and utilization by 129% and 88% respectively, as compared to the corresponding 2018 period.

The Corporation continues to maintain a strong balance sheet through a focus on controlling fixed costs. At June 30, 2019, the Corporation's total debt to EBITDA, as defined in the lending agreement, was 0.7 to 1. Management believes the Corporation's strong balance sheet provides the flexibility to execute on strategic acquisitions, specific customer related rig upgrades and all opportunities that align with the Corporation's growth plan.

FINANCIAL HIGHLIGHTS

SECOND QUARTER 2019 SUMMARY (Compared with the second quarter 2018)

- Revenue from continuing operations of $3,319, up 129% from $1,447;
- Gross margin from continuing operations of $931, up 84% from $507;
- Adjusted EBITDA loss from continuing operations of ($122), down from an Adjusted EBITDA loss of ($81);
- Net loss from continuing operations of ($1,649), down 120% from ($749);
- Net loss from combined operations of ($1,410), up 1% from ($1,421).

SIX MONTHS ENDED JUNE 30, 2019 SUMMARY (Compared with the six months ended June 30, 2018)

- Revenue from continuing operations of $11,082, up 60% from $6,935;
- Gross margin from continuing operations of $4,291, up 77% from 2,427;
- Adjusted EBITDA from continuing operations of $2,377, up 60% from $1,487;
- Net loss from continuing operations of ($438), down 1,032% from net income of $47;
- Net income from combined operations of $631, up 152% from a net loss of ($1,220).

(000's CAD $ except per share amounts)	Three Months Ended June 30, 2019	2018	% Change	Six months ended June 30, 2019	2018	% Change
Continuing operations						
Revenue	3,319	1,447	129%	11,082	6,935	60%
Direct operating expenses	2,388	940	154%	6,791	4,508	51%
Gross margin [(1)]	931	507	84%	4,291	2,427	77%
Net income (loss) from continuing operations	(1,649)	(749)	120%	(438)	47	(1,032%)
Basic and diluted per share	(0.01)	(0.01)	0%	0.00	0.00	0%
Adjusted EBITDA [(1)]	(122)	(81)	53%	2,377	1,487	60%
Basic and diluted per share	0.00	0.00	nm	0.02	0.01	100%
Weighted average common shares outstanding	131,752	130,526	1%	131,699	130,139	1%
Weighted average diluted common shares outstanding	131,752	130,526	1%	131,699	133,689	(1%)
Combined operations [(2)]						
Net income (loss)	(1,410)	(1,421)	(1%)	631	(1,220)	(152%)
Basic and diluted per share	(0.01)	(0.01)	0%	0.01	(0.01)	(200%)
Adjusted EBITDA [(1)]	(177)	(619)	(71%)	2,851	534	434%
Capital expenditures	3,970	11,967	(67%)	4,225	12,280	(66%)

nm - not meaningful

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

[(2)] Combined operations represents the aggregated results of both continuing and discontinued operations.

RESULTS OF CONTINUING OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2019

(000's CAD $ except operating days)	Six months ended June 30, 2019	2018	% Change
Revenue	11,082	6,935	60%
Direct operating expenses	6,791	4,508	51%
Gross margin [(1)]	4,291	2,427	77%
Gross margin %	39%	35%	11%
Net income (loss) from continuing operations	`(438)	47	(1,032%)
General and administrative expenses	2,405	940	156%
General and administrative expenses as a % of revenue	22%	14%	57%
Adjusted EBITDA [(1)]	2,377	1,487	60%
Adjusted EBITDA as a % of revenue	21%	21%	0%
Average active rig count at end of period	9	7	29%
Drilling rig operating days	558	390	43%
Drilling rig revenue per day	19.9	17.8	12%

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

- Revenue in the first six months of 2019 was $11,082, an increase of $4,447 (60%) compared to $6,935 in the first six months of 2018. The increase was as a result of an increase in operating days due to the higher average rig count in 2019, and an increase in revenue per day of 12% from $17.8 in the first six months of 2018 to $19.9 in the comparable 2019 period. The increase in revenue per day was related to the higher day rates in Alberta compared to in Saskatchewan, as the Corporation relocated two rigs from Saskatchewan to Alberta during the second half of 2018.
- Operating days in the drilling rig division of 558 days in the first six months of 2019 was a 43% increase over the 390 operating days in the first six months of 2018, as a result of the increase in rig count. The drilling rig utilization for the six months ended June 30, 2019 was 34%, 55% above the CAODC industry average utilization

rate of 22%, and higher than the drilling rig utilization of 30% in the six months ended June 30, 2018. The increase in average active rig count allowed the Corporation to diversify geographically into the Alberta market and expand its customer base resulting in increased drilling rig utilization in the current year.

- Direct operating expenses are primarily comprised of personnel, equipment, operating and repair costs, and shop expenses. Direct operating expenses for the six months ended June 30, 2019 were $6,791, up $2,283 (51%) from $4,508 for the six months ended June 30, 2018, also as a result of the increased operating days compared to the first six months of 2018.
- For the six months ended June 30, 2019, gross margin as a percentage of revenue was 39%, up from a gross margin of 35% in the six months ended June 30, 2018. The increase in gross margin as a percentage of revenue was primarily a result of decreased maintenance costs per day compared to the first half of 2018 when additional non-capitalizable expenditures were made to put the rigs acquired in 2017 to use, as well as fixed operating costs being allocated over more operating days, and an increase in revenue per day.
- General and administrative expenses for the first half of 2019 were $2,405 up $1,465 (156%) from $940 for the comparable period of 2018, as a result of the increased headcount and the higher allocation of corporate expenses related to salaries, legal, IT, and rent as part of the Corporation's continuing operations.
- For the six months ended June 30, 2019, Adjusted EBITDA was $2,377, a $890 (60%) increase from $1,487 in the first six months of 2018, as a result of the increase in active rig count and higher gross margin which was partially offset by the increased general and administrative expenses compared to 2018.

Other Items

	Six months ended June 30,		
(000's CAD $)	**2019**	**2018**	**% Change**
Gain from disposition of property and equipment	-	172	(100%)
Gain from equipment lost in hole	15	-	nm
Finance costs	(327)	(197)	66%
Other income	95	-	nm
Foreign exchange loss	(18)	-	nm
Transaction costs	(146)	(493)	(70%)
Other items	(381)	(518)	(26%)

nm - not meaningful

For the six months ended June 30, 2019, the Corporation recorded a gain of $15 related to equipment lost downhole. The timing of lost-in-hole recoveries is not within the control of the Corporation and therefore can fluctuate significantly from period to period.

For the six months ended June 30, 2019, finance costs were $327, a $130 (66%) increase from $197 for the first six months of 2018. The increase was due to $109 interest charged on the Operating Loan related to capital projects completed in 2018 and $35 interest on lease liabilities as a result of IFRS 16, Leases, offset by a $14 decrease in accretion on convertible debentures.

Non-capitalizable transaction costs related to potential acquisitions of $146 were incurred in the first six months of 2019, a decrease of $347 (70%) from $493 on acquisitions in the first six months of 2018. Transaction costs represent non-capitalizable amounts directly related to drilling rig acquisitions which consist of due diligence and external legal fees.

SECOND QUARTER RESULTS OF CONTINUING OPERATIONS

(000's CAD $ except per day amounts)	Three Months Ended June 30, 2019	2018	% Change
Drilling rig revenue	3,319	1,447	129%
Direct operating expenses	2,388	940	154%
Gross margin (1)	931	507	84%
Gross margin %	28%	35%	(20%)
Net income (loss) from continuing operations	(1,649)	(748)	120%
General and administrative expenses	1,407	587	140%
General and administrative expenses as a % of revenue	42%	41%	2%
Adjusted EBITDA (1)	(122)	(80)	53%
Adjusted EBITDA as a % of revenue	(4%)	(6%)	33%
Average active rig count at end of period	9	8	13%
Drilling rig operating days	180	84	114%
Drilling rig revenue per day	18.4	17.2	7%

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

- Revenue in the second quarter of 2019 was $3,319, an increase of $1,872 (129%) compared to $1,447 in the second quarter of 2018. The increase was as a result of an increase in operating days due to the increased marketable rig count, and an increase in revenue per day of 7% from $17.2 in the second quarter of 2018 to $18.4 in the comparable 2019 period. The increase in revenue per day was related to the higher day rates in Alberta compared to in Saskatchewan as the Corporation relocated two rigs from Saskatchewan to Alberta during the second half of 2018.
- Operating days in the drilling rig division of 180 days in the second quarter of 2019 was a 114% increase over the 84 operating days in the second quarter of 2018, as a result of the increased rig count. The drilling rig utilization for the quarter ended June 30, 2019 was 22%, 47% above the CAODC industry average utilization rate of 15%, and above the drilling rig utilization of 12% in the second quarter of 2018. The increase in average active rig count allowed the Corporation to diversify geographically into the Alberta market and expand its customer base resulting in increased drilling rig utilization in the current year.
- Direct operating expenses are primarily comprised of personnel, equipment, operating and repair costs, and shop expenses. Direct operating expenses for the three months ended June 30, 2019 were $2,388, up $1,448 (154%) from $940 for the three months ended June 30, 2018, also as a result of the increased operating days compared to the second quarter of 2018.
- For the second quarter ended June 30, 2019, gross margin as a percentage of revenue was 28%, down 20% from a gross margin of 35% in the second quarter of 2018. Gross margin as a percentage of revenue was impacted by higher repairs and maintenance expenses in the second quarter of 2019, as compared to the same period in the prior year.
- General and administrative expenses for the three months ended June 30, 2019 were $1,407, up $819 (139%) from $587 for the three months ended June 30, 2018, as a result of the increased headcount and the higher allocation of corporate expenses related to salaries, legal, IT, and rent as part of the Corporation's continuing operations.
- For the quarter ended June 30, 2019, the Adjusted EBITDA loss was $122, a $42 (53%) higher loss from an Adjusted EBITDA loss of $80 in the comparable quarter of 2018, as a result of the lower gross margin and increased general and administrative expenses offset by increased revenues compared to the second quarter of 2018.

RESULTS OF DISCONTINUED OPERATIONS

On April 3, 2019, the Corporation announced the discontinuation of its directional drilling division. As part of this process, the Corporation presented the results of the directional drilling operations using the guidance under "IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations", as discontinued operations on the condensed consolidated statements of comprehensive income (loss) and the condensed consolidated statements of cash flows for the current and comparative periods.

During the second quarter, the Corporation disposed of its directional drilling assets to an independent, third-party purchaser. In accordance with the disposal, property and equipment with a net book value of $908 was sold on May 27, 2019 for gross proceeds of $1,500 which resulted in recognition of a gain on disposition of $576, which was classified within discontinued operations.

The operating results for the three months ended June 30, 2019 represent those costs required to complete the disposal of the assets. Severance payments totaling $332 are included in general and administrative expenses. Adjusted EBITDA includes a gain on disposition of the directional drilling assets of $592.

As part of the disposal transaction, right of use assets previously used by the directional drilling division and their related lease liabilities were assigned to the purchaser.

The following table sets forth operating results from the discontinued operations for the three and six months ended June 30, 2019 and 2018:

	Three Months Ended June 30,			Six months ended June 30,		
(000's CAD $ except per day amounts)	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
Directional drilling revenue	2	600	(100%)	1,837	2,587	(29%)
Direct operating expenses	35	580	(94%)	963	2,199	(56%)
Gross margin [(1)]	(33)	20	(265%)	874	388	125%
Gross margin %	nm	3%	nm	48%	15%	220%
Directional drilling net income (loss)	239	(672)	(136%)	1,069	(1,267)	(184%)
General and administrative expenses	332	625	(47%)	717	1,490	(52%)
General and administrative expenses as a % of revenue	nm	104%	nm	39%	58%	(33%)
Adjusted EBITDA [(1)]	(55)	(538)	(90%)	474	(953)	(150%)
Adjusted EBITDA as a % of revenue	nm	(90%)	nm	26%	(37%)	170%
Directional drilling operating days[(2)]	-	77	(100%)	209	328	(36%)
Directional drilling revenue per day	nm	7.8	nm	8.8	7.9	11%

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

[2] A stand-by day is calculated as 0.5 day of an operating day.

- Revenue from discontinued operations for the six month period ended June 30, 2019 was $1,837, a decrease of $750 (29%) from $2,587 in the prior year comparable period, as a result of a 36% decrease in operating days due to the suspension of operations on April 3, 2019.
- Direct operating expenses from discontinued operations for the six month period ended June 30, 2019 were $963, a decrease of $1,236 (56%) from $2,199 in the prior year comparable period. Gross margin as a percentage of revenue for the six months ended June 30, 2019 was 48%, up 220% from 15% in the first six months of 2018. The primary reason for the increase was the rebilling of repairs and maintenance costs of $285 to customers and the deferral of all non-essential repairs to the Corporation's owned equipment.
- General and administrative expenses from discontinued operations in the first half of 2019 were $717, a decrease of $773 (52%) compared to $1,490 in the first half of 2018. The overall decrease was a result of a reduction in headcount in the division and the reallocation of corporate expenses of salaries, legal, IT, and rent from the directional drilling division to the drilling rig division.
- The overall effect of the increase in revenue and the decrease in direct operating costs and general and administrative expenses resulted in Adjusted EBITDA of $474 in the first six of 2019, an increase of $1,427 (150%) from an Adjusted EBITDA loss of $953 in the first six months of 2018.

NON-GAAP MEASURES

This press release 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.

	Three Months Ended June 30,			Six months ended June 30,		
(000's CAD $)	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
Net income (loss) from continuing operations	(1,649)	(748)	120%	(438)	47	(1,032%)
Depreciation [(1)]	1,114	536	108%	2,160	922	134%
Finance costs	152	88	73%	327	197	66%
Other income	(53)	-	nm	(95)	-	nm
Gain from disposition of property and equipment	-	(172)	(100%)	-	(172)	(100%)
Gain from equipment lost in hole	-	-	nm	(15)	-	nm
Share-based payments	245	-	nm	274	-	nm
Transaction costs	47	216	(78%)	146	493	(70%)
Foreign exchange loss	22	-	nm	18	-	nm
Adjusted EBITDA	(122)	(80)	53%	2,377	1,487	60%

nm - not meaningful

[(1)] Includes depreciation of propery and equipment and right-of-use assets

(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

	Three Months Ended June 30,			Six months ended June 30,		
(000's CAD $)	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
Income (loss) from operations	(74)	(29)	155%	2,348	1,505	56%
Depreciation of property and equipment	1,005	536	88%	1,943	922	111%
Gross margin	931	507	84%	4,291	2,427	77%
Gross margin %	28%	35%	(20%)	39%	35%	11%

FORWARD-LOOKING INFORMATION

Certain statements contained in this press 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", "believe", "predict", and "forecast" are intended to identify forward-looking information.

This press release contains forward-looking information pertaining to, among other things: the expectation that the Corporation's current drilling rig utilization will continue for the remainder of 2019; the expectation that there will not be a significant recovery in industry activity in 2019 from 2018 levels; the view that the Corporation has a strong balance sheet and its expectation of having the flexibility to execute on strategic acquisitions, specific customer related upgrades and all other opportunities that align with the Corporation's growth plan; the belief that Adjusted EBITDA is a useful supplemental financial measure; and the expectation of continued expansion into the drilling rig business in Western Canada.

Statements, including forward-looking information, are made as of the date of this press 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 press release is expressly qualified by this cautionary statement.

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