

**News Release**  
**Acceleware Reports Results for the Three Months Ended June 30, 2016**  
**For Immediate Release**

CALGARY, Alberta – August 26, 2016 – Acceleware® Ltd. (“Acceleware” or the “Company”) (TSX-V: AXE), a leading developer of high performance seismic imaging applications and RF heating technology, today announced results for the three and six months ended June 30, 2016 (all figures are in Canadian dollars unless otherwise noted).

The challenging market conditions that Acceleware faced in the first quarter of 2016 continued into the three months ended June 30, 2016, caused by the persistently low worldwide price of oil. The Company’s customers continue to be cautious, delaying and in some cases cancelling, plans to invest in seismic imaging software, HPC consulting services, and RF heating research and development consulting. Consequently, Acceleware’s revenue in Q2 2016 decreased 36% to \$410,318 compared to \$638,977 recorded in the three months ended June 30, 2015, and fell 7% compared to the \$442,537 recorded in the most recently completed quarter ended March 31, 2016. The decrease compared to Q1 2016 was due to a decline in oil and gas consulting revenue.

Acceleware’s total comprehensive loss increased to \$366,532 in Q2 2016 compared to \$106,087 in Q2 2015, due to lower revenue and higher general and administrative expense. Total comprehensive loss for Q1 2016 was \$365,018, similar to Q2 2016.

Acceleware continued to develop its patent pending RF heating technology in Q2 2016. A patent application was recently filed protecting the “RF XL” technology that directly applies to Alberta’s oil sands deposits. It is believed that the RF XL concept can enable oil sands producers to be profitable at lower commodity prices while also reducing their environmental impact. The Company is now working with industry and government partners to test and commercialize RF XL and the previously developed “Modular RF” technology. Initial simulations and tests indicate that these two technologies have the potential to produce heavy oil and bitumen using 50% of the energy typically used in steam-assisted gravity drainage (SAGD) production, while requiring no external water use or solvent injection. During Q2 2016, Acceleware received approval for funding for a new project from the National Research Council’s Industrial Research Assistance Program (NRC-IRAP) in support of RF XL development. Acceleware also

announced a partnership with GE to adapt that company's innovative silicon carbide power electronics technology to the RF XL concept.

Revenue fell 12% for the six months ended June 30, 2016 to \$852,855 compared to the \$967,751 recorded in the six months ended June 30, 2015 due to lower oil and gas consulting revenue, both HPC and RF heating. Total comprehensive loss consequently increased to \$731,550 in the six months ended June 30, 2016 compared to \$464,361 in the six months ended June 30, 2015. Besides lower revenues, the increase in total comprehensive loss can be attributed to increased general and administrative expense, particularly foreign exchange loss.

During the three months ended June 30, 2016, Acceleware borrowed \$200,000 on a short-term basis to address cash flow issues relating to work in process. The loan matures on November 10, 2016, when cash flow is expected to improve. As a result of this loan, working capital at June 30, 2016 was in a (\$96,477) deficit compared to December 31, 2015 when it was \$585,117. Cash and cash equivalents have decreased slightly since December 31, 2015 from \$361,957 to \$331,371 as at June 30, 2016. At June 30, 2016, the Company had \$228,365 (December 31, 2015 - \$37,160) in combined short-term and long-term debt in the form of finance leases and loans and borrowings. Other than the short-term loan, the reduction in working capital is related to a decrease in trade and other receivables and lower cash, both of which are the result of lower revenue. During this challenging time, the Company actively manages its cash flow and investment in new products to match its cash requirements to cash generated from operations. In order to maximize cash generated from operations, the Company plans to continue to focus on high gross margin revenue streams such as software products, consulting services and training; focus on selected core vertical markets; minimize operating expenses where possible; and limit capital expenditure. Additional financing in the form of loans or equity will be pursued in the case of any shortfall.

The outlook for Acceleware's oil and gas software and services business remains uncertain. Revenue has decreased 12% in the first six months of this year compared to the same period a year ago, as the Company's customers grapple with the prolonged collapse in the world price of oil. The Company has taken steps to further reduce operating and capital expenditures during this time of uncertainty, and is taking steps to promote non-oil and gas related products and services. More recently, we have seen increased interest in our RF heating solutions. However, it remains unclear whether this trend will result

in revenue growth and profitability. The Company is actively pursuing funding for RF heating development including applying to various government funding initiatives as well as pursuing industry partner funding opportunities.

Additional information, including the unaudited financial statements for the three and six months ended June 30, 2016, the management's discussion and analysis related thereto, the audited financial statements for the year ended December 31, 2015, and management's discussion and analysis relating thereto, are available on SEDAR at [www.sedar.com](http://www.sedar.com).

**About Acceleware:**

Acceleware ([www.acceleware.com](http://www.acceleware.com)) develops high performance seismic imaging and modeling software products and provides innovative technology for radio frequency (RF) heating, an emerging thermal enhanced oil recovery method. As experts in programming for multi-core CPUs and massively parallel GPUs, Acceleware's professional services team specializes in accelerating computationally intense applications for clients to speed up product design, analyze data and help make better business decisions. Acceleware's products and services are used by some of the world's largest energy and engineering companies.

Acceleware is a public company on Canada's TSX Venture Exchange under the trading symbol AXE.

**Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.**

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For further information:  
Geoff Clark  
Tel: +1 (403) 249-9099  
[geoff.clark@acceleware.com](mailto:geoff.clark@acceleware.com)

Acceleware Ltd.  
435 10<sup>th</sup> Avenue SE  
Calgary, AB, T2G 0W3  
Canada  
Tel: +1 (403) 249-9099  
[www.acceleware.com](http://www.acceleware.com)