News Release
Acceleware Reports Results for the Three and Six Months ended June 30, 2017
For Immediate Release

CALGARY, Alberta – August 17, 2017 – 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, 2017 (all figures are in Canadian dollars unless otherwise noted).

During the three months ended June 30, 2017 (Q2 2017), Acceleware continued to invest in RF heating research and development. Activities included analysis of data from a 1/20 scale field test of critical components of the RF XL technology completed in March, 2017; simulations of various oil sands and heavy oil reservoirs using the Company's AxHeat software; filing one new patent application; and preparation of several additional potential patent applications. The objectives of the 1/20 scale field test were to successfully heat a sand formation with parameters similar to an oil sands reservoir, to confirm the results predicted from Acceleware's AxHeat RF heating simulation software, and to prove innovative concepts around the transmission of RF energy from the RF generator down to the oil bearing formation. Management determined that the objectives were met, with other tests and analysis currently on-going. Acceleware sold the data and results of the field test to an oil sands producer in the three months ended March 31, 2017 (Q1 2017). While the Company's software and services business experienced a rebound in Q1 2017, it continued to face a challenging oil and gas market in Q2 2017, with decreased software product revenue compared to both Q1 2017 and the three months ended June 30, 2016 (Q2 2016)..

During the three months ended June 30, 2017, Acceleware recognized revenue of $312,612 - 24% lower than the $410,318 recognized during the three months ended June 30, 2016. The decrease is a result of lower software and services revenue. Revenue in Q2 2017 also decreased 37% compared to the $498,189 recorded in Q1 2017. The decrease in revenue compared to the most recent quarter is due to lower RF heating revenue, and is despite a 5% increase in software and services revenue including notably higher consulting services for training. On a segmented basis, there was no RF heating revenue in either Q2 2017 or Q2 2016 compared to $200,000 recorded in Q1 2017 - a result of the field test data sale. Software and services revenue was 24% lower at $312,612 in Q2 2017 compared to $410,318 in Q2 2016, due in large part to decreased seismic imaging product sales. However, software and services revenue was 5% higher

in Q2 2017 compared to $298,189 in Q1 2017 due to higher training services revenue. For the six months ended June 30, 2017 revenue decreased 5% to $810,801 from $852,855 in the six months ended June 30, 2016 due to lower seismic imaging product revenue.

The Company had total comprehensive loss for Q2 2017 of $641,197, an increase of 75% compared to a total comprehensive loss of $366,532 for Q2 2016. The higher total comprehensive loss is a result of higher research and development (R&D) investment, higher general and administrative (G&A) expenses in the RF heating business, and lower revenue in the software and services business. Total comprehensive loss increased 43% in Q2 2017 to $641,197 compared to $448,859 in Q1 2017, due to lower revenue and higher G&A expenses related to marketing activities such as trade shows and stock based compensation.

For the six months ended June 30, 2017 total comprehensive loss was $1,090,056, an increase of 49% compared to a loss of $731,550 recorded in the six months ended June 30, 2016. The increase is a result of greater investment in R&D and higher G&A expenses.

On a segmented basis, loss from operations attributed to the RF heating segment was 63% higher in Q2 2017 at $730,579 compared to $442,724 in Q2 2016, due to higher investment in R&D and higher G&A expense. Operating loss for RF heating was 19% higher in Q2 2017 compared to the loss of $615,598 recorded in Q1 2017 due to lower revenue, and higher G&A expenses. Operating income attributed to software and services decreased to a loss of $23,107 in Q2 2017, compared to income of $92,556 in Q2 2016 due to lower revenue, and higher investment in R&D. Software and services operating loss was also lower in Q2 2017 compared to the operating income of $13,612 recorded in Q1 2017 due to lower revenue and lower G&A expenses.

For the six months ended June 30, 2017 RF heating operating loss increased 45% to $1,146,178 from $790,952 for the six months ended June 30, 2016 due to higher R&D investment, higher G&A expense related to stock based compensation, and despite higher revenue. For the six months ended June 30, 2017 software and services operating loss was $9,495 compared to operating income of $112,848 for the six months ended June 30, 2016 due to lower seismic product revenue.

At June 30, 2017, Acceleware had $783,629 (December 31, 2016 - $1,616,415) in working capital, including $993,573 (December 31, 2016 - $1,922,318) in cash and cash equivalents, and $71,890 (December 31, 2016 - $58,095) in combined short-term and long-term debt in the form of finance leases. The Company has $975,050 (December 31, 2016 - $928,800) (principal plus accrued interest) in convertible debentures that accrue interest at 10% per year. The decrease in cash (and consequently working capital) is a result of the comprehensive loss incurred in the six months ended June 30, 2017, and an increased investment in working capital. The increase in working capital other than cash is a result of decrease in accounts payable and accrued liabilities such as deferred salaries and other payroll liabilities.

Additional information, including the unaudited financial statements for the three months ended June 30, 2017, the management's discussion and analysis relating thereto, the audited financial statements for the year ended December 31, 2016, and management's discussion and analysis relating thereto, are available on SEDAR at www.sedar.com.

About Acceleware:

Acceleware (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.

Disclaimers

This press release contains "forward-looking information" within the meaning of Canadian securities legislation. Forward-looking information generally means information about an issuer's business, capital, or operations that is prospective in nature, and includes disclosure about the issuer's prospective financial performance or financial position.

The forward-looking information in this press release includes information about the technical and economic feasibility of Acceleware's RF heating technology. Acceleware assumes that the results of

simulations, testing and economic modelling conducted to date are indicative of future performance of the technology.

Actual results may vary from the forward-looking information in this press release due to certain material risk factors. These risk factors are described in detail in Acceleware's continuous disclosure documents, which are filed on SEDAR at www.sedar.com.

Acceleware assumes no obligation to update or revise the forward-looking information in this press release, unless it is required to do so under Canadian securities legislation.

Neither the 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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