

News Release
Acceleware Reports Results for the Three Months Ended March 31, 2016
For Immediate Release

CALGARY, Alberta – May 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 months ended March 31, 2016 (all figures are in Canadian dollars unless otherwise noted).

Acceleware continued to face very challenging market conditions in the three months ended March 31, 2016 (“Q1 2016”), caused by the persistent decline in the worldwide price of oil. Similar to the three months ended March 31, 2015 (“Q1 2015”), the Company’s customers have started the new year in a cautious manner, delaying and in some cases, cancelling, plans to invest in seismic imaging software, HPC consulting services, and RF heating research and development. The caution however, is not as pronounced as it was in 2015 and as a result, Acceleware’s revenue in Q1 2016 increased by 35% to \$442,537 compared to \$328,774 in Q1 2015. Revenue was 56% lower when compared to the \$1,016,424 recorded in the most recently completed quarter ended December 31, 2015 (“Q4 2015”). The decrease compared to Q4 2015 was due to significant decrease in seismic imaging product revenue.

Despite the increase in revenue, Acceleware’s total comprehensive loss increased to \$365,018 in Q1 2016 compared to \$357,834 in Q1 2015 primarily due to higher foreign exchange loss caused by an appreciation of the Canadian dollar relative to the US dollar at the end of Q1 2016. Total comprehensive income for Q4 2015 was \$158,746, due to the higher revenue noted above.

Acceleware continued to develop its patent pending RF heating technology in Q1 2016. A patent application was recently filed protecting a concept that directly applies to Alberta’s oil sands deposits. It is believed that the new concept can assist in improving the economics and environmental impact of oil sands production. The Company is now looking for industry and government partners to further develop this and previously developed technology.

At March 31, 2016, Acceleware had \$234,574 in working capital compared to December 31, 2015 when it was \$585,117. Cash and cash equivalents have decreased since December 31, 2015 from \$361,957 to \$237,858 as at March 31, 2016. At March 31, 2016 the Company had \$31,900 (December 31, 2015 - \$37,160) in combined short-term and long-term debt in the form of finance leases. The reduction in working capital is related to a decrease in trade and other receivables and lower cash both caused by 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 those from software products, consulting services and training; focus on selected core vertical markets; minimize operating expenses where possible; and limit capital expenditure.

The outlook for Acceleware's oil and gas technology business in 2016 remains uncertain. As the Company's customers grapple with the prolonged collapse in the world price of oil, we have seen caution among our customers resulting in delayed purchase decisions at the beginning of the year, similar to the beginning of 2015. More recently we have seen increased demand for both seismic products and RF heating solutions. The Company has taken steps to further steps to reduce operating and capital expenditures during this time of uncertainty.

Additional information, including the unaudited financial statements for the three months ended March 31, 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.

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.

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.

#

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

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