News Release
Acceleware Reports Results for the Three Months ended March 31, 2018
For Immediate Release

CALGARY, Alberta – May 30, 2018 – 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, 2018 (all figures are in Canadian dollars unless otherwise noted).

During the three months ended March 31, 2018 (Q1 2018), Acceleware continued to invest in RF heating research and development (R&D). Activities included preparing additional patent applications, and engineering and design work related to the Company's planned commercial-scale test of RF XL. Specifically, the Company kicked-off the design of the test RF generator with partner GE, worked on design concepts for drilling and completing the RF XL and production wells, and began design of surface facilities. Acceleware made progress in the selection of, and negotiations with, the most suitable oil sands partner for the commercial-scale test in accordance with the conditions of the $10 million non-repayable grant awarded to the Company by Sustainable Development Technology Canada and Emissions Reduction Alberta. The Company's software and services business faced a challenging oil and gas market, with decreased revenue in all categories compared to the three months ended March 31, 2017 (Q1 2017). Due to the reduced revenue and continued investment in R&D, the Company's total comprehensive loss was significantly higher in Q1 2018 compared to Q1 2017. Despite the increased loss, cash flow used in operating activities fell in Q1 2018 compared to Q1 2017 due to decreased investment in working capital.

During Q1 2018, Acceleware recognized revenue of $170,259 - 66% lower than the $498,189 recognized during Q1 2017. The decrease is primarily a result of a 100% decline in RF heating revenue, and a 43% decrease in software and services revenue. Revenue in Q1 2018 also fell 37% compared to the $271,690 recorded in the three months ended December 31, 2017 (Q4 2017). The decrease in revenue compared to the most recent quarter is due to a 36% decline in software revenue, particularly lower seismic imaging product revenue and lower finite difference time domain (FDTD) maintenance revenue. On a segmented basis, RF heating revenue fell 100% to $nil in Q1 2018, compared to $200,000 in Q1 2017 (when the Company sold its field test data) and $3,953 in Q4 2017. Software and services revenue was 43% lower at $170,259 in Q1 2018 compared to $298,189 in Q1 2017, due in large part to decreased seismic imaging product sales, and lower software maintenance revenue. Software and services revenue fell 36% in Q1 2018 compared to $267,737 in Q4 2017 due to lower seismic product revenue and lower FDTD maintenance revenue.

The Company had total comprehensive loss in Q1 2018 of $839,377, an increase of 87% compared to a total comprehensive loss of $448,859 in Q1 2017. The higher total comprehensive loss is a result of lower revenue, higher R&D expense, and higher general and administrative (G&A) expenses, mitigated somewhat by a lower cost of revenue. Total comprehensive loss increased 13% in Q1 2018 to $839,377 compared to $745,937 in Q4 2017, due to lower revenue and a gain on derivative instruments recognized in Q4 2017.

On a segmented basis, loss from operations attributed to the RF heating segment was 43% higher in Q1 2018 at $595,004 compared to $415,598 in Q1 2017, due to lower revenue. Operating loss for RF heating was 13% lower in Q1 2018 compared to the loss of $686,377 recorded in Q4 2017 due to lower R&D expenses. Operating loss attributed to software and services increased to $238,875 in Q1 2018, compared to income of $13,612 in Q1 2017 due to lower revenue, higher R&D expense and higher G&A expense. Software and services operating loss increased compared to the operating loss of $108,097 recorded in Q4 2017 due to lower revenue and higher R&D and G&A expenses.

Revenue	**Three months ended Dec 31, 2017**	Three months ended Dec 31, 2016	Three months ended Dec 31, 2017	% change Q1 2018 over Q1 2017	% change Q1 2018 over Q4 2017
RF Heating	**$ —**	$ 200,000	$ **3,953**	-100%	-100%
Software & Services	**170,259**	298,189	**267,737**	-43%	-36%
	$ 170,259	$ 498,189	$ **271,690**	-66%	-33%

At March 31, 2018, Acceleware had a working capital deficit of $205,981 (December 31, 2017 – positive $403,501) however, the Company had $250,138 (December 31, 2017 - $781,315) in cash and cash equivalents, and $208,296 (December 31, 2017 - $183,373) in combined short-term and long-term debt in the form of finance leases. The decrease in cash (and consequently working capital) is a result of the comprehensive loss incurred in Q1 2018. Subsequent to March 31, 2018, the Company received $222,443 in cash related to its 2017 Alberta Scientific Research and Experimental Development tax credit claim. The decline in working capital other than cash is a result of a decrease in trade and other receivables reflecting lower revenue, and increased accounts payable and accrued liabilities.

During Q4 2017, Acceleware had a total comprehensive loss of $745,937, compared to a total comprehensive loss of $953,737 in Q4 2016. The difference is the result of a 55% increase in revenue, combined with a 6% increase in expenses. Total comprehensive loss of $745,937 in Q4 2017 was also lower than the loss of $913,38 recorded in Q3 2017 due to higher revenue, and a gain on derivative instruments related to the Company's convertible debentures which were converted in Q4 2017.

During the year ended December 31, 2017, Acceleware recognized revenue of $1,320,067 - 5% lower than the $1,395,169 recognized during the year ended December 31, 2016. The decrease is primarily a result of a 70% decline in product revenue, notwithstanding a 74% increase in maintenance revenue. On a segmented basis, the Company's RF heating segment recorded a 159% increase in revenue in 2017, climbing to $224,653 from $86,648 recorded in 2016, the increase coming from the sale of the field test results to an oil sands producer. The software and services segment revenue declined 16% in 2017 to $1,095,414 from $1,308,521 recorded in 2016, primarily due to lower seismic imaging software revenue.

Revenue	**Year ended December 31, 2017**	Year ended December 31, 2016	**Percentage change 2017/2016**
RF Heating	**$ 224,653**	$ 86,648	**159%**
Software and Services	**1,095,414**	1,308,521	**-16%**
	$ 1,320,067	$ 1,395,169	**-5%**

The Company had total comprehensive loss for the year ended December 31, 2017 of $2,749,731, an increase of 37% compared to a total comprehensive loss of $2,010,009 for the year ended December 31, 2016. The higher total comprehensive loss for the year ended December 31, 2017 is due to the above noted decrease in revenue coupled with a 18% increase in expenses, driven by higher R&D expense associated with RF heating and higher G&A expenses.

On a segmented basis, loss from operations attributable to the RF heating segment increased 20% to $2,370,393 in 2017 from $1,969,010 in 2016 due to higher R&D and G&A expenses. The software and services segment recorded a loss from operations of $254,027 in 2017, compared to income from operations of $20,703 in 2016 due to lower revenue.

At December 31, 2017, Acceleware had $403,501 (December 31, 2016 - $1,616,415) in working capital, including $781,315 (December 31, 2016 - $1,922,318) in cash and cash equivalents, and $183,373 (December 31, 2016 - $58,095) in combined short-term and long-term debt in the form of finance leases. On September 26, 2017, the Company closed a non-brokered private placement consisting of 4,651,066 units at a price of $0.18 per unit for gross proceeds of $837,192, and proceeds net of issue costs of $825,807. Each unit consisted of one common share and one-half common share purchase warrant. Each warrant entitles the holder to purchase an additional common share of the Company at a price of $0.27 per common share for a period of two years. The decrease in cash (and consequently working capital) is a result of the comprehensive loss incurred in 2017, and an increased investment in working capital, offset by the proceeds from the private placement. At November 17, 2017, the Company had $1,014,302 (December 31, 2016 - $928,800) (principal plus accrued interest) in convertible debentures that accrued interest at 10% per year. On November 17, 2017, the Company forced conversion of the convertible debentures, exercising the option to convert all outstanding principal and accrued interest into 6,762,014 units of one common share of the Company plus ½ common share purchase warrant.

Additional information, including the unaudited financial statements for the three months ended March 31, 2018, the management's discussion and analysis relating thereto, the audited financial statements for the year ended December 31, 2017, 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.

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