Acceleware Provides RF XL Commercial-Scale Pilot Update and Announces Non-Brokered Private Placement of Units

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CALGARY, Alberta, Oct. 20, 2022 -- Acceleware Ltd. (“Acceleware” or the “Company”) (TSX-V: AXE), today announces the commencement of the heating well workover program at its commercial-scale RF XL pilot project at Marwayne, Alberta (the “Pilot”). The Company is also announcing a non-brokered private placement of units of the Company (the “Units”), at a price of $0.27 per unit, for gross proceeds of up to $2,000,000 (the “Private Placement”).

Pilot Update

As noted in Acceleware’s news release dated July 27, 2022, the Company is pleased with progress at the Pilot to date, and based on current observations, remains confident that RF XL will become viable as a critical technology in the effort to decarbonize heavy oil and oil sands production. As previously disclosed the fibre optic distributed temperature sensing (DTS) system in the heating well was damaged during a maintenance operation at the Pilot. Though not a core component of the RF XL technology itself, the DTS is important to data gathering and power regulation to ensure the system operates within specified parameters. The DTS will need to be removed from the well, inspected and repaired. In conjunction with repair of the DTS, the Company will take the opportunity to remove and inspect certain downhole components of the RF XL system, in order to gain valuable information regarding the initial performance of the RF power transmission system.

Acceleware has now commenced the workover, after developing a workover plan with review and input from industry partners, sourcing replacement parts, and securing service vendors. Upon completion of the workover, heating operations and further testing are expected to resume.

RF XL has demonstrated strong potential to become a low cost, low carbon development solution for all heavy oil and oil sands producers, regardless of their size and stage of development. RF XL would eliminate the need for high-cost steam generation, water treatment and water handling facilities, while also allowing producers to access a significant amount of stranded resource that is currently uneconomic to produce using conventional methods. More importantly, RF XL is expected to increase recovery factors for existing wells, which would materially enhance a producer’s reserve value and near term cash flow. When used in conjunction with clean electricity, RF XL would allow producers to develop their resource with near zero carbon emissions, which would lead to decades of emissions reductions and carbon tax savings for our customers.

CEO Geoff Clark says, “We are pleased to have our DTS repair plan underway and remain hyper-focused on the RF XL Pilot success. We know that RF XL could be an industry game changer, so we are working as hard and as quickly as we can to get it back up and running at higher power levels as soon as possible.”

The Pilot project team will move forward on furthering RF XL testing immediately after the workover. Learnings from the operation are expected to result in additional IP that could further refine RF XL and the CTI design, performance, and economics in the future.

Acceleware’s Marwayne Pilot is supported by government agencies including the Government of Alberta through Emissions Reduction Alberta and Alberta Innovates, Broadview Energy, as well as three major oil sands partners.

Details of the Private Placement

Each Unit will consist of (i) one common share; and (ii) one common share purchase warrant. Each common share purchase warrant will entitle the holder thereof to acquire one (1) common share of Acceleware at $0.36 for a 24-month period from the date of issuance. In the event that the common shares trade at a closing price at or greater than $0.81 per common share for a period of thirty (30) consecutive trading days, Acceleware may accelerate the expiry date of the common share purchase warrants by giving notice to the holders thereof, and in such case, the common share purchase warrants will expire on the 30th day after the date on which such notice is given by Acceleware.

Acceleware intends to use the net proceeds of the Private Placement to fund a portion of the Pilot workover and for general corporate purposes. In addition, the majority of the Company’s funding partners have committed to or indicated they intend to support the workover operation with accelerated funding.

Purchasers of the Units will be subject to a four-month hold period in accordance with securities legislation.

Acceleware expects certain insiders to participate in the Private Placement, which will make the Private Placement a related party transaction within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*. Acceleware intends to rely on the exemptions from the valuation and minority shareholder approval requirements in that instrument.

About Acceleware

Acceleware (www.acceleware.com) is an innovator of clean-tech decarbonization technologies comprised of two business units: Radio Frequency (RF) Heating Technology and Seismic Imaging Software.

Acceleware is piloting RF XL, its patented low-cost, low-carbon production technology for heavy oil and oil sands that is materially different from any heavy oil recovery technique used today. Acceleware's vision is that electrification of heavy oil and oil sands production can be made possible through RF XL, supporting a transition to much cleaner energy production that can quickly bend the emissions curve downward. Further, Acceleware's RF XL technology could eliminate greenhouse gas (GHG) emissions associated with heavy oil and oil sands production. RF XL uses no water, requires no solvent, has a small physical footprint, can be redeployed from site to site, and can be applied to a multitude of reservoir types.

Acceleware has partnered with Saa Dene Group (co-founded by Jim Boucher) to create Acceleware | Kisâstwêw to raise the profile, adoption, and value of Acceleware technologies. The shared vision of the partnership is to improve the environmental and economic performance of the energy sector by supporting ideals that are important to Indigenous peoples, including respect for land, water, and clean air.

The Company's seismic imaging software solutions are state-of-the-art for high fidelity imaging, providing the most accurate and advanced imaging available for oil exploration in complex geologies. Acceleware is a public company listed on Canada's TSX Venture Exchange under the trading symbol "AXE".

Disclaimers

This press release contains "forward-looking information" within the meaning of 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 can be identified by the terms "expects", "intends", and derivatives thereof, and includes information about the benefits of RF XL, future operation of the Pilot, participation of insiders in the Private Placement, the proposed use of proceeds of the Private Placement and the intention of funding partners to support the workover project with accelerated funding.

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 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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