



Acceleware Provides RF XL Pilot Update

CALGARY, AB, Canada – March 7, 2024 – Acceleware Ltd. (“Acceleware” or the “Company”) (TSX-V: AXE), a leading innovator of transformative technologies targeting the decarbonization of industrial heating, provides an update regarding its commercial-scale RF XL pilot project at Marwayne, Alberta (the “Pilot”).

Previously announced in the [third quarter 2023 financial and operating results](#) on November 23, 2023, Acceleware encountered subsurface challenges in redeploying upgraded components during the RF XL heating well workover at the Pilot. As a result, Acceleware paused the workover to review Pilot performance data, continue inspection of the heating well, and to further consider solutions to the challenges encountered in the workover program. In consultation with industry partners, options to resume testing were developed, discussed, and finalized. It was determined that the most practical path forward involves a redeployment of all subsurface components incorporating the multiple improvements and upgrades that Acceleware has made to the RF XL downhole system. Acceleware is actively sourcing an additional \$5 million of funding to complete the redeployment. The redeployment is expected to enable higher power to be injected into the reservoir for a sustained period in a second phase of heating.

The Pilot performance data confirms the successful operation of the Clean Tech Inverter (“CTI”), which is the radio frequency (“RF”) ‘engine’ critical to Pilot success. A primary objective of the Pilot was to demonstrate the operation of the CTI and its effectiveness in transmitting temperature downhole to increase oil production. Other significant milestones achieved include:

- Acceleware drilled and completed the first of its kind multilateral heating well and associated production well in a previously produced heavy oil reservoir.
- The RF XL system (including the CTI) demonstrated unprecedented performance with the longest continuous run (142 days) and highest power (up to 250 kW) of any RF heating system.
- Maximum design current was transmitted from the CTI, through the proprietary transmission line, and radiated to the reservoir.
- Increased reservoir temperature and oil production were observed in the Pilot.
- The temperature profile and oil production increase matched simulated predictions given the levels of power radiated.

Additionally, critical components of the proprietary RF XL subsurface technology functioned as designed and expected.

The workover was undertaken to address a distributed temperature sensing system (“DTS”) failure, during which time the engineering team took the opportunity to examine downhole components. As the workover progressed, an issue was discovered with the downhole RF XL system resulting from



water ingress into the RF transmission line during deployment and operation of the Pilot. Some moisture had been anticipated and was initially addressed via the Pilot's nitrogen purge and pressurization system which is designed to remove and prevent the return of fluids. Further analysis following the workover suggests that this system was not able to manage the moisture levels encountered, resulting in degradation of some proprietary downhole components. For clarity, the moisture ingress issue pertained to tubing connections, not to core RF XL technology nor RF XL electronics. Acceleware has recreated the problem in lab tests and has designed and tested a solution. The damage is believed to be the primary impediment to Acceleware's ability to achieve full power in the first phase of heating at the Pilot. As mentioned on November 22, 2023, Acceleware planned to develop several solutions to this challenge and proceed with the option with the highest probability of success and the lowest risk. The Acceleware team, in consultation with industry partners, has developed what is believed to be a permanent, resilient solution for the issue.

Acceleware now plans to continue a second phase of heating after a significant subsurface upgrade plan to address the moisture ingress issue. Subsurface components not removed during the workover will be removed, refurbished, or upgraded, and then redeployed along with the components already upgraded during the original workover program. This plan was developed in consultation with industry partners and service providers and among the alternatives examined, it is expected to have the highest probability of achieving higher power injected into the reservoir for a sustained period. An additional \$5 million of funding is required to complete the redeployment, and Acceleware is actively working to raise these funds. The final timing and cost of the redeployment and subsequent heating remains dependent on financing, partner investment, and the successful deployment of repairs and components. Additional risks include the availability of service rigs, weather conditions at site, supply chain reliability, and material delivery timing. Upgrades have been specifically designed to eliminate the moisture ingress issue. In addition, measures will be taken to add resilience to the system to ensure long-term operation if moisture does return. Upgrades will also be made to augment success of the CTI function, including providing more accurate monitoring of broadband voltage, current and power.

"With the depth and extent of the analysis, design work, and lab testing that we have done since the workover was paused, the Acceleware team feels strongly that the next iteration of RF XL subsurface structure addresses all known issues encountered in the first phase of the Pilot," said Geoff Clark, Chief Executive Officer of Acceleware. "We're extremely pleased that the clean-tech inverter exceeded expectations prior to the Pilot workover and that data continues to show that RF XL can heat the reservoir and improve oil production. Acceleware is going to continue to pursue avenues of industry and other financial support to see the pilot through to commercialization. At this time, the project will be on pause until we secure the financial support required for the upgrades and updates to the technology."

RF XL is expected to be a transformative decarbonization technology for heavy oil or oil sands production. Not only can it eliminate direct GHG emissions from production, meaning it requires no

carbon capture, but it would also eliminate the requirement for fresh water and significantly reduce land footprint. RF XL is also expected to lower capital costs by 50 percent and operational costs by 40 percent, providing the potential for this decarbonization technology to play a key role in the energy transition.

RF XL is the first of several electrification of industrial heating applications that Acceleware is commercializing with CTI, including electromagnetic heating for [mining](#).



E-house at Acceleware's RF XL Commercial-Scale Pilot Test at Marwayne, AB. July 2023

About Acceleware

Acceleware is an innovator of clean-tech decarbonization technologies comprised of two business units: Radio Frequency 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. With clean electricity, 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 is also actively developing partnerships for RF heating of other industrial applications using the Company's proprietary CTI.

Acceleware and Saa Dene Group (co-founded by Jim Boucher) have created 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".

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This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", "anticipates", "plans", "continues", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations or negatives of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might", "shall" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements.

In this news release, forward-looking statements relate to, among other things, statements relating to the benefits of RF XL, future operation of the Pilot, prospective performance of the Company, the status and advancement upgrades and repairs, the anticipated development, application and market potential of CTI, and the expected cost, and timing of the expanded upgrade program. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Company. The material facts and assumptions include failure



analysis conducted to date is accurate, cost estimates are accurate, and that conclusions derived from experimental data are accurate. Actual results may vary from the forward-looking information in this news release due to certain material risk factors. The Company cautions the reader that the above list of risk factors is not exhaustive and additional risk factors risk factors are described in detail in Acceleware's continuous disclosure documents, which are filed on SEDAR at www.sedar.com. The forward-looking information contained in this release is made as of the date hereof and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Due to the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

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