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Shoal Games Ltd. Announces Fiscal 2016 Results

ANGUILLA, B.W.I., April 3, 2017 / Shoal Games Ltd. (TSXV:SGW) (OTCQB:SGLDF) <http://www.shoalgames.com> ("the Company"), mobile software developer, publisher, and owner of Rooplay (<http://www.rooplay.com>), Trophy Bingo (<http://www.trophybingo.com>), and Garfield's Bingo (<http://www.garfieldsbingo.com>) today announced its financial results for the year ended December 31, 2016. All amounts are presented in United States dollars and in accordance with United States Generally Accepted Accounting Principles.

2016 and Recent Shoal Games Ltd. highlights include:

- Revenue of \$278,921, an increase of 150% from revenue of \$111,610, in fiscal 2015
- Completion of two equity financings raising \$1,643,428 net of issuance costs
- Successful establishment of Vancouver based software development team
- Launch of Rooplay worldwide on Google Play in English
- Launch of Rooplay with first international partner Café Bazaar in Iran in native Farsi
- Launch of Garfield's Bingo in Apple, Google and Amazon App Stores

"2016 was spent developing, marketing, and publishing mobile products to entertain the masses, while also having to regroup from the unfortunate collapse of our primary software developer." commented Jason Williams Shoal Games CEO. "Trophy Bingo and Garfield's Bingo have recorded more than 600,000 downloads to date with excellent retention and monetization results. However, mobile game developers, including Shoal Games, are challenged by the fact that in the current, rapidly changing, environment millions of apps are competing for downloads and marketing expenses are hard to recoup.

With the knowledge that it would be costly to secure millions of users with the bingo products, we began developing a new product, Rooplay, in the latter half of 2016. Rooplay is a platform of children's games based on subscription. The Rooplay app is small (10mb), but contained within are more than 500 different games for kids to play. Each game is curated and contains no ads, no in-app purchases, no outbound links, no social networks, and no instant messaging. These characteristics make Rooplay completely safe for kids.

Shoal Games aggregates, curates, and licenses content for the Rooplay platform, but it also makes its own exclusive games. The first four Rooplay Original productions feature Garfield and are titled Garfield Math Bingo, Garfield ABCs, Garfield Memory Match, and Garfield Coloring Book. All of these games will be released onto the Rooplay platform and as stand-alone apps in the Google Play store. The Rooplay Originals will help to deliver downloads to the Rooplay platform app as customers seek to unlock premium content.

As Rooplay is a platform, and not a single game, it can create long-term customers that generate recurring revenue. Further, the Rooplay platform is easily localized into any language so Rooplay has global distribution potential through partnership arrangements. Rooplay is now live on Google Play in English and on Cafe Bazaar in Farsi (Iran) with our first localized version and first international partner. We are in discussions with a number of potential partners and hope to localize and launch Rooplay with partners in a number of international jurisdictions. It is our intention, primarily through cost effective partnerships, to grow Rooplay to millions of downloads and launch dozens of Rooplay Original titles over the coming months."

Total revenue from continuing operations increased to \$278,921 for the year ended December 31, 2016, an increase of 150% over revenue from continuing operations of \$111,610 for the same period in the prior year. The increase in total revenue compared to fiscal 2015, is due to the Company launching a full global release of a feature complete Trophy Bingo in the Google Play and Apple App Store in the latter half of the third quarter of fiscal 2015 and an increase in players playing Trophy Bingo, despite limited marketing expenditures in the latter half of the year, and the launch of Garfield's Bingo in the fourth quarter of fiscal 2016.

Sales and marketing expenses from continuing operations were \$403,523 for the year ended December 31, 2016, a decrease of 27% over expenses of \$549,534 for the same period in the prior year. This decrease in sales and marketing expenses from continuing operations in fiscal 2016, compared to fiscal 2015, was due to a lower marketing spend in the latter half of 2016 for player acquisitions for Trophy Bingo in order to preserve cash and prepare for the launches of Rooplay and Garfield's Bingo. Selling and marketing expenses principally include publishing services and user acquisition costs to acquire players.

Salaries, wages, consultants and benefits expenses, excluding salaries incurred for the development of our games decreased to \$413,166 during the year ended December 31, 2016, a decrease of 4% over expenses of \$429,072 for the previous year.

The Company expensed \$1,077,638 in development costs during the year ended December 31, 2016, a decrease of 12% over \$1,230,216 of development costs in the prior year. This decrease in development costs is due to a smaller team developing Rooplay, Garfield's Bingo and Trophy Bingo compared to fiscal 2015.

General and administrative expenses decreased to \$231,404 for the year ended December 31, 2016, a decrease of 35% over costs of \$356,647 for the previous year. This decrease in general and administrative expenses compared to fiscal 2015, is largely due to the fees incurred in listing the Company on the TSX in 2015. General and administrative expenses consist primarily of legal and professional fees, premises costs for our offices, and other general corporate and office expenses.

The net loss after taxation for the twelve months ended December 31, 2016, amounted to (\$3,156,302), a loss of (\$0.05) per share, compared to a net loss of (\$2,965,682), a loss of (\$0.05) per share in the twelve months ending December 31, 2015. The increase in our 2016 net loss includes the \$498,791 of prepaid development costs written off due to the unfortunate bankruptcy of our primary software development supplier.

We had cash of \$60,190 and working capital of \$13,896 at December 31, 2016. This compares to cash of \$570,086 and working capital of \$454,447 at December 31, 2015.

Effective December 2016, the Company granted 1,010,000 employee, director, and consultant share options with an exercise price of CAD\$0.54 per share, of which 500,000 share options were to the Directors and Officers.

For full details of the Company's operations and financial results, please refer to the Securities and Exchange Commission website at www.sec.gov or the Shoal Games Ltd. corporate website at <http://investor.shoalgames.com> or on the www.sedar.com website.

About Shoal Games Ltd.

Shoal Games Ltd. (TSXV:SGW) (OTCQB:SGLDF) <http://www.shoalgames.com> is the parent company of the group of companies, which owns Rooplay (<http://www.rooplay.com>), an innovative instant-play gaming platform that empowers children to play, learn, and create; Garfield's Bingo (<http://www.garfieldsbingo.com>), the first bingo game to feature a mega-brand; and Trophy Bingo (<http://www.trophybingo.com>), live across mobile platforms with over 500,000 installs. Rooplay is live worldwide in Google Play. Rooplay offers families a handpicked and growing selection of interactive entertainment for a monthly subscription fee. Connecting families around a single device, Rooplay offers a new way to spend family time together. Shoal Games Ltd. trades on the TSX Venture exchange in Canada and the OTCQB venture marketplace for companies that are current in their reporting with the U.S. regulator. Investors can find real time quotes and market information for the Company at http://web.tmxmoney.com/quote.php?qm_symbol=SGW and <http://www.otcmart.com/stock/SGLDF/quote>.

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Certain information included in this press release (as well as information included in oral statements or other written statements made or to be made by the company) contains statements that are forward-looking, such as statements relating to anticipated future success of the company. Such forward-looking information involves

important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ materially from those expressed in any forward-looking statements made by or on behalf of the company. For a description of additional risks and uncertainties, please refer to the company's filings with the Securities and Exchange Commission. Specifically, readers should read the Company's Annual Report on Form 10-K, filed with the SEC on March 17, 2016, and the prospectus filed under Rule 424(b) of the Securities Act on March 9, 2005 and the SB2 filed July 17, 2007, and the TSX Venture Exchange Listing Application for Common Shares filed on June 29, 2015 on SEDAR, for a more thorough discussion of the Company's financial position and results of operations, together with a detailed discussion of the risk factors involved in an investment in Shoal Games Ltd.

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