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## **Shoal Games Ltd. Announces Fourth Quarter Results**

ANGUILLA, B.W.I., January 28, 2016 / Shoal Games Ltd. (TSXV:SGW) (OTCQB:SGLDF) <http://www.shoalgames.com> ("the Company"), owner of Trophy Bingo, an innovative, non-gambling, social bingo game, <http://www.trophybingo.com>, today announced its unaudited financial results for the fourth quarter ended December 31, 2015. All amounts are presented in United States dollars and in accordance with United States Generally Accepted Accounting Principles.

Recent Shoal Games Ltd. highlights include:

- Revenue of \$85,446, an increase of 768% from revenue of \$11,130, in the third quarter of 2015
- Cash of \$570,086 and positive working capital of \$454,341 as at December 31, 2015.
- Q4 average Trophy Bingo rating of 4.47 stars (max 5 stars) in Google Play Store
- Launch of Trophy Bingo in Amazon App Store

"The fourth quarter of 2015 saw the Company engaged in marketing, software development, and performance tuning of Trophy Bingo in a live environment," commented Jason Williams, Shoal Games CEO. Our objective since launch has been to generate significant downloads so that we could assess the game's earning potential and popularity with bingo players. We successfully generated 157,354 downloads, secured average ratings of 4.47 in Google Play, and booked \$85,446 in revenue for the quarter. All three metrics were ahead of our projections and we remain confident in Trophy Bingo's capacity to become a Top Grossing game. Our tuning efforts were particularly effective as we saw average Day 1 retention for the quarter climb to 38%, from 34% in the third quarter, and ARPDAU (Average Revenue Per Daily Active User) double from \$0.046 in the third quarter to \$0.092 in Q4.

"We launched in the Amazon App Store in the fourth quarter which has extended Trophy Bingo's reach to all owners of Amazon's Fire range of devices," continued Williams. "We continue to pursue strategies that may result in more cost effective downloads for Trophy Bingo through platform launches or featured listings. A special product release is coming soon to Trophy Bingo that will enable players to interact more in the game which will help to increase referral downloads and reduce our marketing expense per install. The first quarter of 2016 will see us testing some new tuning and monetization concepts with Trophy Bingo as we work to raise the ARPDAU figures higher and increase our revenues again, this time with a lower marketing budget.

"We're encouraged by Trophy Bingo's results and feel that with our planned feature and content releases scheduled in 2016 we will be able to position Trophy Bingo for a push into the Top Grossing charts. Should Trophy Bingo continue to increase its performance it has the potential to earn the Company significant income for many years. We look forward to developing the game and business to achieve this objective."

Total Revenue from continuing operations for the quarter ended December 31, 2015, increased to \$85,446, an increase from revenue from continuing operations of \$12,210 for fourth quarter of 2014 and an increase from revenue of \$11,130, in the third quarter of 2015. The increase in Revenue compared to the fourth quarter of fiscal 2014 and the third quarter of 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 third quarter of 2015.

Sales and marketing expenses from continuing operations were \$337,322 for the quarter ended December 31, 2015, an increase over expenses of \$75,819 in the fourth quarter of 2014 and an increase of 145% from sales and marketing expenses of \$137,266 in the third quarter of 2015. This increase in sales and marketing expenses from continuing operations in the fourth quarter of fiscal 2015 was due to a larger marketing campaign to attract players to the new Trophy Bingo game. Selling and marketing expenses from continuing operations principally include publishing services and user acquisition costs to acquire players.

The net loss after taxation from continuing operations for the quarter ended December 31, 2015, amounted to (\$819,004), a loss of (\$0.01) per share, compared to a net loss from continuing operations of (\$734,523) or (\$0.01) per share in the quarter ending December 31, 2014 and net loss from continuing operations of (\$758,611), or (\$0.01) per share in the third quarter of fiscal 2015.

We had cash of \$570,086 and positive working capital of \$454,341 at December 31, 2015. This compares to cash of \$2,876,386 and positive working capital of \$2,856,230 at December 31, 2014.

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

**About Shoal Games Ltd. (formerly Bingo.com, Ltd.)**

Shoal Games Ltd. (TSXV:SGW) (OTCQB:SGLDF) <http://www.shoalgames.com> is the parent company of the group of companies, which owns Trophy Bingo, an innovative, non-gambling social bingo game. Trophy Bingo is a puppy themed bingo adventure where players must win their way through 120 levels of bingo challenges. The game is free to download and supports in-app purchases and incentivized advertising for players who find themselves in need of extra bingos or want to engage with the premium power plays contained in the game. 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](http://web.tmxmoney.com/quote.php?qm_symbol=SGW) and <http://www.otcmarkets.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 26, 2015, 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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# SHOAL GAMES LTD. and subsidiaries

## Unaudited Consolidated Balance Sheets

As at December 31,	2015	2014
<b>Assets</b>		
Current assets:		
Cash	\$ 570,086	\$ 2,876,386
Accounts receivable, less allowance for doubtful accounts \$nil (2014 - \$nil)	44,843	122,056
Prepaid expenses	17,205	14,367
<b>Total Current Assets</b>	<b>632,134</b>	<b>3,012,809</b>
Equipment, net	6,314	9,269
Other assets	482,013	964,025
Security deposits	8,960	10,642
Deferred tax asset, less valuation allowance of \$17,898 (2014 - \$17,907)	-	-
<b>Total Assets</b>	<b>\$ 1,129,421</b>	<b>\$ 3,996,745</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 72,806	\$ 35,013
Accrued liabilities	71,026	72,898
Accounts payable and accrued liabilities - related party	33,960	48,668
<b>Total Current Liabilities</b>	<b>177,792</b>	<b>156,579</b>
Stockholders' equity :		
Common stock, no par value, unlimited shares authorized, 56,197,703 shares issued and outstanding (December 31, 2014 - 55,682,703)	19,334,290	19,257,040
Accumulated deficit	(18,407,241)	(15,441,454)
Accumulated other comprehensive income:		
Foreign currency translation adjustment	24,580	24,580
<b>Total Stockholders' Equity</b>	<b>951,629</b>	<b>3,840,166</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 1,129,421</b>	<b>\$ 3,996,745</b>

## SHOAL GAMES LTD. and subsidiaries

Unaudited Consolidated Statements of Operations  
For the periods ended December 31, 2015 and 2014

	Year ended December 31, 2015 (Unaudited)	Year ended December 31, 2014 (Unaudited)	Three Months ended December 31, 2015 (Unaudited)	Three Months ended December 31, 2014 (Unaudited)
Advertising revenue	\$ 12,196	\$ 22,655	\$ 2,906	\$ 5,105
Trophy Bingo revenue	99,325	9,815	82,540	7,105
Total revenue	111,521	32,470	85,446	12,210
Cost of sales:				
Trophy Bingo amortization	482,012	482,013	120,503	120,503
Total cost of sales	482,012	482,013	120,503	120,503
Gross (loss) profit	(370,491)	(449,543)	(35,057)	(108,293)
Operating expenses:				
Depreciation and amortization	3,467	3,470	1,178	976
Directors fees	9,500	12,000	2,000	2,500
General and administrative	356,647	212,649	37,688	57,448
Salaries, wages, consultants and benefits	429,072	520,287	100,619	180,119
Selling and marketing	549,726	247,258	337,322	75,819
Trophy Bingo development	1,230,216	1,181,382	295,400	348,668
Total operating expenses	2,242,046	2,177,046	774,207	665,530
(Loss) Income before other income (expense) and income taxes	(2,949,119)	(2,626,589)	(809,264)	(773,823)
Other income (expense):				
Foreign exchange gain (loss)	(33,582)	(44,617)	(9,548)	(25,091)
Interest and other income	1,089	510	288	194
Loss from continuing operations before income taxes	(2,981,612)	(2,670,696)	(818,524)	(798,720)
Income tax expense	480	848	480	803
Loss from continuing operations	\$ (2,982,092)	\$ (2,671,544)	\$ (819,004)	\$ (799,523)
Discontinued operations:				
Gaming revenue	-	1,684,047	-	339,050
Gain from the sale of the domain name	16,305	6,677,759	-	6,742,759
Selling and marketing	-	(628,029)	-	(58,099)
(Loss) Income after tax	(2,965,787)	5,062,233	(819,004)	6,224,187
Other comprehensive (loss) income	-	-	-	-
Comprehensive (loss) income	\$ (2,965,787)	\$ 5,062,233	\$ (819,004)	\$ 6,224,187
Basic (loss) profit per common share				
Continuing operations	\$ (0.05)	\$ (0.04)	\$ (0.01)	\$ (0.00)
Discontinued operations	\$ 0.00	\$ 0.11	\$ 0.00	\$ 0.10
Diluted (loss) profit per common share				
Continuing operations	\$ (0.05)	\$ (0.04)	\$ (0.01)	\$ (0.00)
Discontinued operations	\$ 0.00	\$ 0.11	\$ 0.00	\$ 0.10
Weighted average common shares outstanding, basic	55,812,511	69,564,552	56,197,703	70,682,703
Weighted average common shares outstanding, diluted	55,812,511	69,564,552	56,197,703	70,682,703

# SHOAL GAMES LTD. and subsidiaries

## Unaudited Consolidated Statements of Stockholders' Equity

Years ended December 31, 2015 and 2014

	Common stock		Accumulated Deficit	Accumulated Other Comprehensive income	Total Stockholders' Equity
	Shares	Amount		Foreign currency translation adjustment	
Balance, December 31, 2013	67,877,703	20,097,690	(16,753,687)	24,580	3,368,583
Private placement	500,000	200,000	-	-	200,000
Private placement	1,250,000	500,000	-	-	500,000
Private placement	1,000,000	700,000	-	-	700,000
Exercise of stock options	55,000	9,350	-	-	9,350
Redemption of shares	(15,000,000)	(2,250,000)	(3,750,000)	-	(6,000,000)
Net income	-	-	5,062,233	-	5,062,233
Balance, December 31, 2014	55,682,703	\$19,257,040	\$(15,441,454)	\$ 24,580	\$3,840,166
Exercise of stock options	515,000	77,250	-	-	77,250
Net loss	-	-	(2,965,787)	-	(2,965,787)
Balance, December 31, 2015	56,197,703	\$19,334,290	\$(18,407,241)	\$ 24,580	\$952,629

# SHOAL GAMES LTD. and subsidiaries

## Unaudited Consolidated Statements of Cash Flows

Years ended December 31,	2015	2014
Cash flows from operating activities:		
Net income (loss)	\$ (2,965,787)	\$ 5,062,233
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	3,467	3,470
Trophy Bingo amortization	482,012	482,013
Gain on the sale of the domain name	(16,305)	(6,677,759)
Changes in operating assets and liabilities:		
Accounts receivable	77,213	159,201
Prepaid expenses	(2,838)	97,728
Other assets	1,682	877
Accounts payable and accrued liabilities	37,518	(30,260)
Net cash used in operating activities	(2,383,038)	(902,497)
Cash flows from investing activities:		
Acquisition of equipment	(512)	(4,969)
Proceeds on disposal of domain name	-	1,935,000
Software development	-	(51,701)
Net cash provided by (used in) investing activities	(512)	1,878,330
Cash flows from financing activities:		
Exercise of stock options	77,250	9,350
Private placement	-	1,400,000
Net cash provided by financing activities	77,250	1,409,350
Change in cash	(2,306,300)	2,385,183
Cash, beginning of year	2,876,386	491,203
Cash, end of year	\$ 570,086	\$ 2,876,386
Supplementary information:		
Interest paid	\$ -	\$ -
Income taxes paid	\$ 480	\$ 848
Non-cash financing activity	\$ -	\$ -
Non-cash investing activity	\$ -	\$ -