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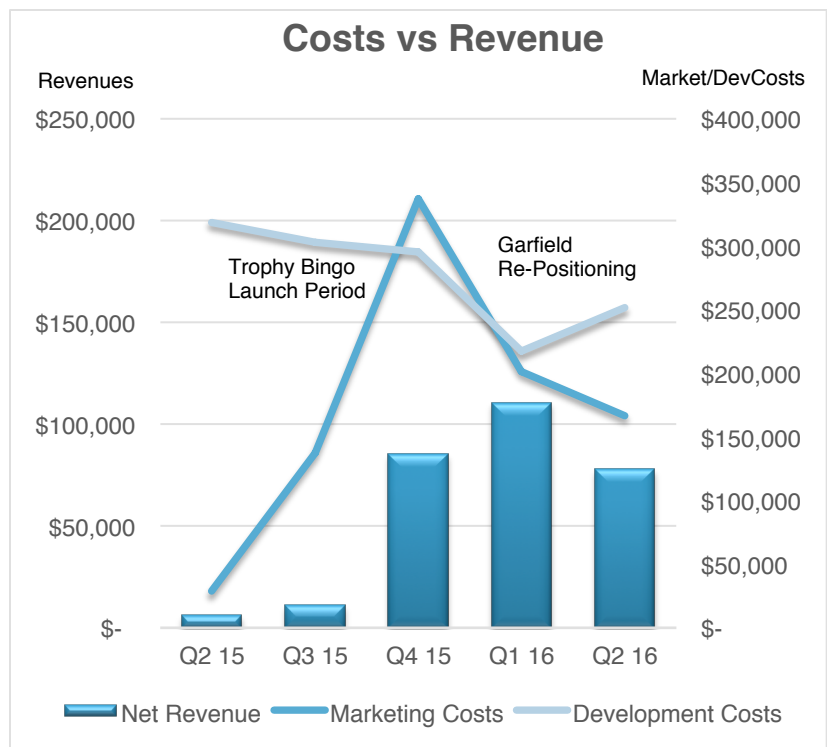
Shoal Games Ltd. Announces Second Quarter Results

ANGUILLA, B.W.I., August 15, 2016 / Shoal Games Ltd. (TSXV:SGW) (OTCQB:SGLDF) <http://www.shoalgames.com> (“the Company”), owner of Trophy Bingo (<http://www.trophybingo.com>), a mobile game live in the Apple, Google and Amazon App Stores, and Garfield’s Bingo, currently in production and scheduled for a Q4 2016 release, today announced its unaudited financial results for the second quarter ended June 30, 2016. All amounts are presented in United States dollars and are in accordance with United States Generally Accepted Accounting Principles.

Recent Shoal Games Ltd. highlights include:

- During the quarter ended June 30, 2016, the Company closed two private placements for 3,337,934 common shares at \$0.60 per share which raised proceeds of CAD\$2,002,760.
- Total Net Revenue for the quarter ended June 30, 2016, was \$77,821.
- Sales and marketing expenses were \$166,758 for the quarter ended June 30, 2016. a decrease of 17% from sales and marketing expenses of \$201,587 in the first quarter of 2016.
- The Company licensed the brand rights to produce Garfield’s Bingo, the first ever bingo game to feature Garfield.
- The Company reduced marketing expenditures for Trophy Bingo as it repositions its focus to Garfield’s Bingo targeting North American, South American, and Asian markets.

"During the second quarter of 2016, after obtaining a license to the Garfield brand, we changed our short term focus from marketing to development to position the Company behind the soon-to-be-released 'Garfield's Bingo' product," said Jason Williams, the Company's CEO. "We reduced our marketing spend on Trophy Bingo while still continuing to release new features for the game which will enhance the underlying mobile bingo platform that both Trophy Bingo and Garfield's Bingo are built. Market conditions are challenging for new brands like Trophy Bingo as generating critical mass without the assistance of global brand



recognition takes time. With the launch of Garfield's Bingo quickly approaching, Shoal management determined the correct short term strategy was to divert resources from marketing Trophy Bingo and to increase development investments to ensure Garfield's Bingo would launch as quickly as possible and with as many new features as possible."

"We've developed an incredible mobile bingo game that players love, monetizes well, and engages bingo fans for months on end." said Williams. "We believe that by combining our innovative mobile bingo platform with Garfield's global brand recognition and popularity, we'll be well positioned to capture a significant portion of the mobile free-2-play bingo market estimated at over US\$150 million per annum. Furthermore, while Western markets are important to Shoal's success, Garfield's popularity in the Asian region provides a host of new opportunities for product features and distribution arrangements."

Total revenue, net of platform fees to Apple, Google and Amazon, for the quarter ended June 30, 2016, was \$77,821, an increase from revenue of \$6,253 for second quarter of 2015 and a decrease from revenue of \$110,559, in the first quarter of 2016. The increase in total revenue compared to the second quarter of 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. The decrease in total revenue compared to the first quarter of fiscal 2016, is due to fewer players playing throughout the quarter due to a lower marketing budget whilst the Company prepares for the launch of new features in Trophy Bingo and the launch of Garfield's Bingo in early Q4 2016.

Sales and marketing expenses were \$166,758 for the quarter ended June 30, 2016, an increase over expenses of \$28,862 in the second quarter of 2015 and a decrease of 17% from sales and marketing expenses of \$201,587 in the first quarter of 2016. This increase in sales and marketing expenses in the quarter ended June 30, 2016, compared to the second quarter of fiscal 2015 was due to the marketing expenses required to acquire players for the Trophy Bingo game. The decrease in selling and marketing expenses in the quarter ended June 30, 2016 compared to the first quarter of fiscal 2016, was due to a reduced marketing budget whilst the Company prepares for the launch of planned new features in Trophy Bingo to meet active player demand, to complete the final development of Garfield's Bingo, and to prepare for the launch of Garfield's Bingo in Q4. Selling and marketing expenses principally include publishing services and user acquisition costs to acquire players.

The net loss after taxation for the quarter ended June 30, 2016, amounted to (\$620,968), a loss of (\$0.01) per share, compared to a net loss from continuing operations of (\$666,512) or (\$0.01) per share in the quarter ending June 30, 2015 and net loss from continuing operations of (\$633,868), or (\$0.01) per share in the first quarter of fiscal 2016.

We had cash of \$187,516 and working capital of \$954,319 at June 30, 2016. This compares to cash of \$570,086 and working capital of \$454,447 at December 31, 2015.

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 Trophy Bingo (<http://www.trophybingo.com>), live in the Apple, Google and Amazon App Stores, and Garfield's Bingo, in production and scheduled for a Q4 2016 release. Both games bring unique gameplay and industry leading monetization techniques to the bingo category which is both high growth and high value. Garfield's Bingo, once released, and Trophy Bingo are free to download and earn revenue through in-app purchases and in-game advertising. 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.otcmartets.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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