



Chartwell Technology

CHARTWELL ANNOUNCES FINANCIAL RESULTS FOR THE THREE MONTHS ENDED JANUARY 31, 2009

Chartwell Technology Inc.

TSX: CWH

Calgary, Canada, March 16, 2009, Chartwell Technology Inc. (“Chartwell” or the “Company”) (TSX: CWH), a leading provider of gaming software systems and entertainment content to the online and remote gaming industry, announces unaudited financial results for the three months ended January 31, 2009.

Business highlights for the first quarter of 2009:

- Chartwell released Version 7.0 of its gaming software system, adding exciting new games and the most extensive back office enhancements in the Company’s history.
- Chartwell entered into a multi-title licensing agreement with Paramount Digital Entertainment International.

Three months ended January 31, 2009

Revenue for this year’s first quarter was \$4.6 million compared to \$5.8 million for the same period a year earlier. The period over period decrease resulted from a decline in both Casino and Poker licensing revenue as the Company experienced increased competition in its core market at some of its larger customers. In the quarter, there were higher software development, support and general and administrative expenses as the Company continued to focus on expanding its on-line gaming content and the services the Company provides to its customers.

Net loss for the first quarter was \$0.7 million, a loss per share of \$0.04 as compared to a net income of \$0.9 million or \$0.05 per share (basic and fully diluted) in the same quarter of the last fiscal year. Along with increased expenses and decreased revenue, EBITDA declined from a positive \$1.8 million to a negative \$0.4 million. Cash flow from operations before working capital adjustments similarly declined from \$1.4 million to \$0.1 million.

Software development and support expense was \$2.8 million in the first quarter compared to \$2.3 million for the same period of fiscal 2008. The increased expense comes from modestly higher staffing levels in development as well as the absorption of additional costs following the acquisition of our Asia-based managed services capability which was completed in the second quarter of fiscal 2008.

Sales and marketing expenses were \$0.7 million in each first quarter of 2008 and 2009.

General and administrative expense was \$1.1 million in the first quarter of fiscal 2009 compared to \$0.8 million a year earlier. The increase in general and administrative expenses period over period was due primarily to the added expense of operating an Asian office as well as increased professional fees.

“The Company started this fiscal year with challenges to revenue growth as a few of our clients introduced additional gaming products from other suppliers” said Alan Richter, CFO of Chartwell. “The increased competition intensifies our resolve to focus on the depth and breadth of our product and services offerings. We have increased our investment in product and service delivery and we are confident that our unique capabilities in these areas as well as our new sales opportunities should return the Company to profitable growth in the near future.”

Balance sheet strength

The Company continued to maintain a strong balance sheet. At January 31, 2009 the Company had \$21.2 million of cash and short-term investments compared to \$22.3 million at October 31, 2008.

Normal Course Issuer Bid

Chartwell has filed with the TSX a notice of its intention to make a normal course issuer bid (the “**NCIB**”) for its Common Shares through the facilities of the TSX (the “**Notice**”).

Subject to TSX approval, the Notice provides that Chartwell may, during the twelve-month period commencing after TSX acceptance of the Notice, purchase up to 1,715,600 of its Common Shares on the TSX, being 10% of the “public float” (as defined in the policies of the TSX) as at March 11, 2009. The price that Chartwell will pay for any such Common Shares will be the market price at the time of acquisition, and all Common Shares purchased under the NCIB will be cancelled. The actual number of Common Shares that may be purchased and the timing of any such purchases will be determined by Chartwell. An aggregate of 531,300 Common Shares were purchased and cancelled under Chartwell’s prior NCIB which expired on February 1, 2009.

Chartwell believes that its Common Shares currently trade in a range that does not adequately reflect their underlying value based on Chartwell’s assets and business. As a result, depending upon future price movements and other factors, Chartwell believes that its outstanding Common Shares may represent an attractive investment and a desirable use of a portion of its available funds.

A copy of the Notice may be obtained by any shareholder of Chartwell, without charge, by contacting Chartwell’s head office.

About Chartwell

Chartwell specializes in the development of leading-edge gaming applications and entertainment content for the Internet and remote platforms. Chartwell’s Java and Flash based software products and games are designed for deployment in gaming, entertainment, advertising and promotional applications. Chartwell does not participate in the online gaming business of its clients. Chartwell’s team of highly trained professionals is committed to delivering the highest quality software and maintaining its leading edge through continuous development and unparalleled customer support.

Chartwell invites you to preview our company and gaming applications at www.chartwelltechnology.com

For further information, please contact:

Alan Richter, Chief Financial Officer
(877) 261-6619 or (403) 261-6619
arichter@chartwelltechnology.com

David Bajwa, Investor Relations
(877) 669-4180 or (604) 669-4180
info@chartwelltechnology.com

The TSX does not accept responsibility for the adequacy or accuracy of this release.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: Certain statements contained herein may constitute forward-looking statements. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. A return to profitability is dependent upon our ability to increase revenue and to maintain current expense levels. We believe that the expectations reflected in the forward-looking statements are reasonable based upon management’s current views but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. These statements speak only as of the date hereof. No assurance can be given that actual results, performance or achievement expressed in, or implied by these forward-looking statements will occur, or if they do, that any benefits may be derived from them. Past results and information provided by third party sources considered to be accurate have been applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information.

Our actual results could differ materially from those anticipated in these forward-looking statements as a result of factors that may include, but are not limited to: the continuing financial market uncertainty, the impact of government regulation and laws affecting international operations, the impact of price competition, loss of business or credit risks associated with current and prospective major customers, general industry and market conditions and growth rates, currency rate fluctuations, the impact of consolidations in the online gaming industry and other risks detailed from time to time in Chartwell’s Annual Information Form and Management’s Discussion and Analysis, both of which may be found at www.sedar.com