



Chartwell Technology

CHARTWELL ANNOUNCES FINANCIAL RESULTS FOR THE THREE AND NINE MONTHS ENDED JULY 31, 2007

Chartwell Technology Inc.

TSX: CWH

Calgary, Canada, September 12, 2007, 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 and nine months ended July 31, 2007.

Highlights for the third quarter of 2007:

- Consistently strong revenue growth year over year extends into a seasonally slower period, with total revenue up 13% over comparable quarter in 2006
- Third quarter of 2007 the highest quarterly EBITDA throughout 2006 and 2007
- Earnings per share of \$0.02 for third quarter 2007 which compares to \$0.03 in the third quarter of 2006

Three months ended July 31, 2007

Total revenue for this year’s third quarter was \$5.3 million compared to \$4.7 million for the same period a year earlier. License fee revenue increased 14.5% to \$5.0 million from \$4.4 million in the third quarter of 2006. This increase in license fee revenue was due primarily to new business agreements signed in 2006. Net earnings for the third quarter was \$0.4 million or \$0.02 per share (basic and fully diluted) as compared to \$0.5 million or \$0.03 per share (basic and fully diluted) in the third quarter of 2006.

Net earnings for the third quarter of 2007 was \$0.4 million as compared to \$0.5 million for the third quarter of 2006. Despite a stock based compensation reduction in the quarter, generally higher expenses, higher amortization charges for both tangible and intangible assets as well as a foreign exchange loss resulted in the net earnings being slightly less than the third quarter of 2006.

EBITDA for the quarter was \$1.1 million as compared to \$1.0 million in the same quarter in 2006. Without the effect of foreign exchange, EBITDA was \$1.4 million in the third quarter of 2007. This compares to \$0.9 million in EBITDA in the third quarter of 2006 when the effect of foreign exchange is eliminated. Sequentially, EBITDA, without the effect of foreign exchange, rose from \$0.9 million in the second quarter of 2007 to \$1.4 million in the third quarter.

Software development and support expense, net of deferred software development costs, was \$2.4 million and \$7.3 million in the three and nine months ended July 31, 2007. This compared to \$2.1 million and \$5.7 million for the same periods of fiscal 2006. As the Company's Poker product matures, we are deferring less software development. As a result, the Company now amortizes more deferred software development costs than it defers of current software development costs. The gross cost of software development and support in the third quarter, before the deferral of development costs, decreased by 11.2% as compared with the third quarter of 2006. For the nine months ended July 31, 2007, these gross costs increased by 3.7% over the comparable period in 2006. This change in gross cost is not expected to significantly impact the Company's ability to develop and release new products.

Sales and marketing expenses were \$0.7 million and \$2.4 million for the three months and nine months ended July 31, 2007, compared to \$0.6 million and \$1.7 million for the same periods in 2006, as a result of greater sales and marketing activity.

General and administrative ("G&A") expense was \$0.8 million and \$3.1 million in the three and nine months ended July 31, 2007 as compared to \$0.8 million and \$3.0 million in the same periods in 2006. Sequentially G&A expenses for the third quarter were reduced by \$0.5 million over the second quarter, and reflects reduced staffing in G&A as well as improved overall cost management.

Balance sheet strength

The Company continued to maintain a strong balance sheet through positive cash flow and maintaining positive working capital. At July 31, 2007 the Company had \$14.1 million of cash and short-term investments compared to \$12.8 million at October 31, 2006.

About Chartwell

Chartwell specializes in the development of leading-edge gaming applications and entertainment content for the Internet and wireless platforms and other remote access devices. 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

Today the Company filed quarterly financial statements and Management's Discussion and Analysis on SEDAR at www.sedar.com.

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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: a failure to complete the business combination referred to herein, 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