

2 May 2017

ASX RELEASE

Order from the United States Navy

- The United States Department of the Navy has placed an order for an underwater drone from Aquabotix.
- Illustrates Aquabotix's position as a leader in the space, capable of meeting the requirements of the world's most demanding user of unmanned underwater vehicles.

UUV Aquabotix Ltd (ASX:UUV) ("Aquabotix" or the "Company") is pleased to announce that the Naval Supply Systems Command of the United States Department of the Navy has placed an order for an unmanned underwater vehicle (underwater drone) with Aquabotix's wholly-owned US subsidiary Aquabotix Technology Corporation, following a competitive bid process. The Company expects to receive revenue of approximately A\$125,000 in connection with this order.

The sale illustrates the increased focus of the world's militaries on the unmanned underwater domain, and the increased acceptance of Aquabotix as a leader in the industry, capable of delivering a cost-effective solution without further research and development, to a discerning marquee customer like the United States Navy.



Caption: Two of Aquabotix's products – Endura 100 and Hybrid

The sale is material in the context of Aquabotix's strategy of building on it as well as on its past orders from the United States Navy, in order to capture a commanding position in this nascent but growing market. The U.S. Department of Defense has announced that it planned to invest as much as US\$3 billion in an effort to build and field underwater drones for surveillance operations. This is particularly relevant given that the

U.S. Defense Science Board has recently publicly recommended that the Navy adopt commercial grade assets and deploy “larger numbers of low-cost assets” in the undersea domain, where, according to the Defense Science Board, “quantity has a quality of its own.” A recent Bloomberg Government article has specifically singled out Aquabotix’s and one other company’s products as the kind of commercial products that may be relevant to this doctrine of commercial product adoption in the unmanned Navy space.

Aquabotix’s CEO, Durval Tavares, commented “We are proud of being able to provide the United States Navy, the largest and most demanding user of unmanned underwater products in the world, with our products, and that we are supplying the Navy following a competitive bid process.”

Aquabotix non-executive director, Admiral Jay Cohen (ret), a former submarine commander and Chief of Naval Research of the United States Department of the Navy, commented “The world is not getting safer. The Department of Defense is clearly committed to maintaining underwater superiority, and Aquabotix is proud to be making its contribution to that.”

Further Information

Brendan Martin - CFO

Email: investors@aquabotix.com

Tel: +61 2 8226 8665

About UUV Aquabotix Limited

Based in Sydney and Fall River, Massachusetts, Aquabotix is an established underwater robotics company which manufactures and sells commercial and industrial-grade underwater drones and networked underwater cameras for commercial, high-end consumer and military applications. It is also one of very few companies worldwide offering commercially-available hybrid underwater drones, which are capable of both autonomous and remote operation. The Company owns the intellectual property in a range of unmanned underwater vehicles and underwater camera products and is an early-mover in a nascent industry.

ENDS