

Escrow, Trading Update & Award

PERTH, WA and COLUMBIA, MD USA – Department 13 International Ltd (ASX: D13) (“Department 13”, “D13” or “the Company”) a cutting-edge developer of counter-drone technology, today is pleased to advise that the Board and Management have agreed to extend existing escrow on its shares for a period of 12 months, subject to obtaining any necessary regulatory approvals.

The Company as previously advised is in the final stages of negotiating its financing options to position itself for substantial and sustainable growth in the medium term and is aiming to have this in place before the end of 2017. As part of this process the D13 Board and Management agreed to extend escrow on 200 million shares that it owns for a period of 12 months to 18 December 2018, subject to obtaining any necessary regulatory approvals.

The Company wishes to also advise that today it won the 2017 Astors American Security Today Homeland Security Award for the Best UAV Perimeter Protection Solution, which further validates our leading-edge MESMER™ technology.

In relation, to ongoing demonstrations that have been undertaken globally all demonstrations in last 2 months have resulted in further demonstrations being booked or negotiation over potential purchases of MESMER™. The Company expects to secure additional purchase orders this calendar year based on the latter and will advise when they are secured.

Commenting on the update, Jonathan Hunter CEO of D13 said “The decision by Board and Management to extend the escrow is a sign of our team’s confidence in not only the opportunities we see for the roll out of MESMER™ globally but also in the potential licensing opportunities of our software and the development of other core IP over time. The interest levels for MESMER™ remains strong with demonstrations fully booked through to February across the US, Europe, Middle East, Latin America and Asia. In addition, we are confident that we will announce further MESMER™ sales before the end of the calendar year which in conjunction with our recent award will further validate MESMER™ positioning as the leading counter drone solution in the market and the Board and Managements decision to further our escrow.”

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About Department 13

Based in Maryland, Department 13 (D13) was founded in 2010 by a team of former military operators, scientists and engineers who apply proprietary innovative advanced technology to emerging requirements. D13 is developing cutting-edge software and communication systems that have the potential to transform the networking and communication fields as well as current applications in drone defense, mobile phone IT security and secure enhanced Android phone systems. D13 is engaged with multiple counter UAS projects to provide strategic solutions for civil, military and commercial security requirements. D13 has 19 patents and 29 patent applications in the development of wireless protocol manipulation and communication networking software with applications in drone defense, local area and wide area cellular communications and networking, enhanced data bandwidth for all digital communications, cyber security for mobile devices and sophisticated RF technology applications (radiometrics). For more information about D13, please visit www.department13.com or follow us on Twitter (@D13ASX), LinkedIn and YouTube.