

Exclusive Japanese Distribution Agreement Signed

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, is pleased to announce the signing of an exclusive distribution agreement with preeminent Japanese technology and equipment distributor Nippon Kaiyo (“Nippon”).

Based in Tokyo, Nippon has a principal focus on providing highly complex technical equipment to a range of key industries and geographical markets within Japan. Nippon’s suite of products spans autonomously controlled vehicles, underwater tracking systems and detection and monitoring equipment. Their expertise in facilitating the sale of highly technical equipment to private and public institutions makes them an ideal partner for D13 and the MESMER™ product.

Tokyo in isolation represents the largest urban area in the world, with more than 38 million citizens. Japan has a strong reputation for early adoption of technology. This, in conjunction with recent national legislation slated at preventing drone use over densely populated urban areas, culminates in Japan representing a significant opportunity for the MESMER™ product.

This exclusive distribution agreement grows the number of distributors for MESMER™ to seven, now covering a truly global geographic footprint:



Distributors:

- | | |
|--------------------------------------|-----------------------|
| 1 EPE Equipment (trading as Zangold) | 5 JCPX Development |
| 2 Heath and Lee Services | 6 Shastra Corporation |
| 3 Phoenix Group Panamá S.A. | 7 Nippon Kaiyo |
| 4 Scopex SARL | |

President of Nippon Kaiyo, Toshio Suzuki commented: *“We are excited to work with Department 13 in delivering MESMER™ to our existing and prospective customer base. We view MESMER™ as a leading global technology in drone defense and see a strong propensity for Nippon to deliver sales in 2018.”*

Department 13 CEO, Jonathan Hunter, commented: *“This agreement with Nippon Kaiyo bolsters our continuously developing distribution network for MESMER™. We view Japan as a market that embodies great opportunity for drone mitigation technology and look forward to working with Nippon to deliver on this opportunity.”*

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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 22 patents and 30 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.

About NipponKaiyo

Based in JAPAN, NIPPON KAIYO Co., Ltd. ("Nippon") was founded in 1948. Nippon has been involved in numerous projects to explore the ocean, providing surveillance and submerging equipment and support. Nippon has been outsourcing the best equipment and system from the world, and customizing them to meet the specific purpose of each project. At the same time, Nippon has been providing the manufacturers with customer feedback improve products. Nippon has been providing a broad range of instruments including world standard underwater sound systems such as multi-beam echo-sounding system and scientific fish-finding system, globally-networked biotelemetry system and underwater optical system in various area including disaster prevention, inshore patrol, harbor construction. In 2016, Nippon decided to expand our business fields from ocean and land to the air. Now our new portfolio of products include UAS, sensors, radar and counter UAS system for both commercial and military customers.