

9 September 2016

ASX RELEASE

Operations Update

DroneShield Ltd (ASX:DRO) ("DroneShield" or the "Company") is pleased to provide an update on its operations.

UK Partner Agreement Signed

DroneShield has appointed Adarga Limited ("Adarga") to represent DroneShield in the UK security market. Adarga has a deep history and key relationships with UK security, military and homeland security sectors, and will support DroneShield entering into those sectors. DroneShield has already run a successful capability demonstration for several of Adarga's clients in the UK, and the leads are expected to translate into orders in the near term.

Key Staff Appointments

DroneShield has made several key appointments in the business development and engineering areas:

Simon Woodward VP, Product Development	Mr. Woodward previously held a number of high profile technical and engineering roles in communications and banking industries in Australia and Europe. He was also the founder of several businesses including Wholesale Communications Group, which rapidly become the largest non-retail telecommunications provider in Australia before being acquired by ASX-listed M2 Group Limited (ASX:MTU). Simon's previous projects included leading the architecture and implementation of a nation-wide telecommunication network across the challenging landscape of the Solomon Islands, and development and support of large scale transactional processing engines handling billions of records a day.
Stuart Taylor VP, Business Development, APAC	Mr. Taylor is an accomplished senior sales executive and manager with a career approaching 20 years in the Australian Information Technology industry. Roles have been with some of the most well-known and successful companies in the world, such as Apple and Adobe Systems as well as more niche companies such as Cornerstone. Mr. Taylor has extensive experience as a business development executive, demonstrating skills in relationship management, contract negotiation, people management, coaching, sales pipeline management, opportunity management and sales closure. Mr. Taylor started his career as a NSW Police officer, spending the majority of his time on the Force as a Detective Sergeant investigating major crime and organised crime. He has been awarded the National Medal, the Australian Police Service Medal and two Commissioners Commendations.
Loren Renton VP, Marketing	Mr. Renton brings over 15 years of broad leadership experience across sales, marketing, product and go-to-market from within private and publicly listed organisations. A significant amount of his time has been spent within early and mid-stage startups with a strong focus on growth and expansion. Most recently, he held the position of Head of Product & Go-To-Market in Asia Pacific at ReachLocal Inc (NASDAQ:RLOC).
Sheldon Davies Pre-Sales Technical Manager	Mr. Davies comes from a mechanical military aviation background where he spent seven years with the Australian Defence Force. Most recently Mr. Davies was the Asia-Pacific Regional Installation Manager for Seeing Machines, a publicly listed technology company.

The Company is also currently running a process on a key US Business Development role, with an appointment expected in the near term. The US market continues to be a key focus area for the business going forward.

DroneShield presently has 49 distributors in 34 countries, bringing a dominant local presence across key drone security markets globally.

Customer Orders

DroneShield has made several high profile customer demonstrations recently, with further demonstrations scheduled in the near term. The demonstrations were well received. The Company will provide appropriate market updates at the time purchase orders are received.

Technology Partnering Discussions

The Company is continuing to execute on its previously announced technology strategy and is involved in close discussions with a number of potential technology partners in complementary drone detection, as well as countermeasures globally. A market update will be provided as these discussions reach an appropriate phase.

Sydney Office

DroneShield has now established a dedicated corporate and product development facility in Lane Cove, Sydney. This location will allow for ongoing advancement, testing and refinement of DroneShield's systems, and to perform local customer demonstrations.

Australian Microcap Investment Conference

The Company will be participating at the 7th Australian Microcap Conference in Melbourne on 18-19 October 2016. This provides a unique opportunity to promote investor awareness for the business.

Further Information

James Walker
Managing Director
Email: james.walker@dronesield.com
Tel: +61 2 8072 0679

About DroneShield Limited

Based in Sydney and Virginia, DroneShield is a worldwide leader in drone detection technology. The Company has developed the pre-eminent drone detection solution that protects people, organisations and critical infrastructure from intrusion from drones. Its leadership brings world-class expertise in engineering and physics, combined with deep experience in defence, intelligence, and aerospace. DroneShield designs detection systems that use highly specialised technology to achieve levels of precision and sensitivity that are not possible with other methods.

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