

US Department of Commerce Clears Mesmer for Export outside the US

Highlights:

- **Opens up International Markets and enables order pipeline fulfillment**
- **EAR99 Classification for MESMER™ Version 1.0 Counter-Drone Solution allows Export of MESMER Software from US to all Countries except 5 Without BIS License**
- **EAR99 confirms Non-Jamming Counter Drone Solution**
- **Mesmer is the only US Counter Drone Solution with an export clearance of EAR 99**

PERTH, WA and COLUMBIA, MD USA – 20 February, 2017 – Department 13 (ASX: D13 or “the Company”) was informed by the U.S. Department of Commerce Bureau of Industry and Security (BIS) that its flagship counter-drone product, MESMER Version 1.0 (“MESMER”), has been classified by BIS as EAR99. An EAR99 designation allows an item to be exported from the United States without any BIS license (referred to as “No License Required”) to all but a few restricted countries. Importantly, the BIS classification confirms that MESMER is a non-jamming product which will enhance the overall marketability and opportunities for commercial implementation of the solution.

Jonathan Hunter, CEO of Department 13, said, “We could not be happier with the receipt of EAR99 classification for MESMER, as it is a significant advantage, as it allows us to legally begin the process of exporting the MESMER software from the U.S. to other countries. A number of international Tier One customers have already begun commercial trials and several demonstrations and events are already scheduled in New Zealand, Singapore, Australia and the U.S. with potential customers in police, defense and security organizations. We look forward to marketing MESMER on a global basis through our strategic partners, which include Booz Allen Hamilton in the United States, EPE in Australasia, and Phoenix Group in Latin America.”

A primary mission of BIS is the accurate, consistent and timely evaluation and processing of licenses for proposed exports and re-exports of goods and technology from the U.S. BIS’ objective is to protect U.S. national security, foreign policy and economic interests without imposing undue regulatory burdens on legitimate international trade.

The only restriction to an EAR99 designation is that such items cannot be exported or re-exported to Crimea, Cuba, Iran, Syria or North Korea, and no license is available for those destinations. In addition, such items cannot be used for any prohibited end-use, or exported, re-exported or transferred to any party on any U.S.-restricted party list, such as those maintained by BIS and the Office of Foreign Assets Control (OFAC).

About Department 13

Department 13 (D13) was founded in Virginia 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 13 patents and 22 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.

Forward Looking Statements

This press release may contain certain forward-looking statements which have not been based solely on historical facts but, rather, on Department 13's current expectations about future events and on a number of assumptions which are subject to significant uncertainties and contingencies, many of which are outside the control of Department 13 and its directors, officers and advisors. This press release should be read in conjunction with Department 13's other periodic and continuous disclosure announcements including Department 13's Annual Report lodged with ASX on 30 September 2016 and other announcements lodged by Department 13 with ASX. Department 13 undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such statements or to keep current any of the information provided. Any estimates or projections as to events that may occur in the future (including projections of revenue, expense, net income and performance) are based upon the best judgment of Department 13 and there is no guarantee that any of these estimates or projections will be achieved. Actual results will vary from the projections and such variations may be material. Department 13 has no obligation to tell recipients if it becomes aware of any inaccuracy in or omission from the information in this press release. This press release does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Department 13's securities have not been, and will not be, registered under the US Securities Act 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

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