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MULTI MESMER™ SYSTEM SALE

Highlights:

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- Australasian defence and government sector supplier, EPE, purchases multiple counter drone systems for an end customer
- The contract includes an annual recurring license revenue component, training, project management and through life support.

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 a multiple system sale of its MESMER™ counter drone solution.

EPE, Department 13's strategic partner in the Australasian region, has purchased several MESMER™ systems for an end customer. The sale comprises multiple hardware systems and proprietary software enabling the client to control the outcome of the drone engagement, as well as installation and through life support costs associated with the projects.

The end customer, whose details remain in confidence under security regulations, selected MESMER for its unique, low power, non-jamming, non-kinetic drone mitigation technology. Rather than destroying a drone in flight, the technology enables an effective and safe method of protecting critical infrastructure and personnel from dangerous drones.

Demonstrations held during the first quarter of 2017 in both Australia and New Zealand, have received a lot of interest from potential users with over 300 people attending, representing a range of federal and state government agencies along with private sector organisations interested in protecting infrastructure.

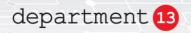
Department 13 CEO, Jonathan Hunter, commented:

"With our first multi-unit MESMER™ sale we are beginning to see strong sales momentum for our market leading counter drone solution. This marks the second major MESMER™ sale via EPE in the Australasian region and follows a series of customer demonstrations during the first quarter."

"We are focused on continuing to convert our growing pipeline of potential sales opportunities which reaches beyond the Asia Pacific region and spans both commercial and defence sectors."

The EPE contract win follows the recent first sale in Australia of MESMER™ to EPE, as announced on 11th April 2017. This sale also adds to the recent sale to a South East Asian customer announced on 29th May 2017 and the license of MESMER in the US to Booz Allen Hamilton Inc. earlier this year.

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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 14 patents and 24 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 EPE

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EPE supports Defence Forces, Law Enforcement and other government agencies in the Asia Pacific region through the delivery of Force Protection and Homeland Security solutions. We are former Counter IED specialists and military operators with real world operational experience. EPE specialises in Counter IED, EOD, Force Protection ECM and Counter Drone, Intelligence, Surveillance and Reconnaissance technology. We understand the demands placed on equipment and operators in the current 'high-threat' environments in which they may be deployed. We also understand the demands of the training and preparation required for operations. Our aim is to source the very best range of battle-proven equipment to help us deliver to our customers, a comprehensive and sustainable capability to meet evolving threats.