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Optex Systems Receives \$570K in New Sales Order for Its Cable Periscopes

RICHARDSON, TX -- (Marketwired) -- 09/30/16 -- Optex Systems, Inc., a wholly owned subsidiary of Optex Systems Holdings, Inc. (OTCQB: OPXS), a leading manufacturer of precision optical sighting systems for domestic and worldwide military and commercial applications, announced today that it has received a new sales order from Defense Logistics Agency in the amount of \$570,000 to supply its cable periscopes.

Optex provides a variety of glass and plastic periscopes with and without laser protection used on various vehicle platforms. The Company's current footprint in the periscopes & vision block market is an estimated 75% market share in the U.S. (\$8-\$10 M) and 20-30% worldwide (\$40-\$50 M). As a market leader in military-grade optical products, the Company manufactures and delivers numerous periscope configurations, rifle and surveillance sights and night vision optical assemblies.

"We are pleased that DLA has chosen Optex's Cable Periscopes to enable the Abram's Mine Plow capability," said Danny Schoening, Optex's CEO. "This order demonstrates our success in penetrating a very selective segment of the market and our reputation for quality and credibility as a strategic supplier for defense and commercial markets. As a result, we are building momentum in our sales channels and we remain confident in generating significant sales contracts in the coming months."

ABOUT OPTEX SYSTEMS

Optex, which was founded in 1987, is a Richardson, Texas based ISO 9001:2008 certified concern, which manufactures optical sighting systems and assemblies, primarily for Department of Defense (DOD) applications. Its products are installed on various types of U.S. military land vehicles, such as the Abrams and Bradley fighting vehicles, Light Armored and Armored Security Vehicles, and have been selected for installation on the Stryker family of vehicles. Optex also manufactures and delivers numerous periscope configurations, rifle and surveillance sights, and night vision optical assemblies. Optex delivers its products both directly to the military services and to prime contractors. For additional information, please visit the Company's website at www.optexsys.com.

Safe Harbor Statement

This press release and other written reports and oral statements made from time to time by the Company may contain so-called "forward-looking statements," all of which are subject to risks and uncertainties. You can identify these forward-looking statements by their use of words such as "expects," "plans," "will," "estimates," "forecasts," "projects" and other words of similar meaning. You can identify them by the fact that they do not relate strictly to historical or current facts. These statements are likely to address the Company's growth strategy, financial results and product and development programs. You must carefully

consider any such statement and should understand that many factors could cause actual results to differ from the Company's forward-looking statements. These factors include inaccurate assumptions and a broad variety of other risks and uncertainties, including some that are known and some that are not. No forward-looking statement can be guaranteed and actual future results may vary materially.

The Company does not assume the obligation to update any forward-looking statement. You should carefully evaluate such statements in light of factors described in the Company's filings with the SEC, especially on Forms 10-K, 10-Q and 8-K. In various filings the Company has identified important factors that could cause actual results to differ from expected or historic results. You should understand that it is not possible to predict or identify all such factors. Consequently, you should not consider any such list to be a complete list of all potential risks or uncertainties.

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