

Drone Aviation Receives Award From U.S. Department of Defense Prime Contractor for WASP Tactical Aerostat Upgraded Sensor Integration

Existing DoD-Owned WASP Tactical Aerostat Systems to Receive Enhanced Sensor Capability

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Drone Aviation Holding Corp. (OTCQX: DRNE) ("Drone Aviation" or the "Company"), a manufacturer of tethered drones and lighter-than-air aerostats, today announced that it has received an award from a U.S. Department of Defense ("DoD") prime contractor for equipment and engineering services including the integration of an advanced sensor suite for long endurance, persistent, tethered aerial applications for a current DoD customer. Under the terms of the award, valued at approximately \$125,000, the Company will integrate DoD customer-provided sensors onto the [Winch Aerostat Small Platform \("WASP"\)](#) tactical aerostats previously acquired and currently operated by the DoD. The technology integration work is expected to be completed in the fourth quarter of 2016.

"We are honored to be selected as the integration specialist for our customer seeking to add advanced sensors onto the WASP tactical aerostat," said Jay Nussbaum, Chairman and CEO of Drone Aviation Holding Corp. "This award is further evidence of our leadership and the progress that we believe the WASP is making with our U.S. Government customers. Thanks to the WASP's payload agnostic architecture, our customers can deploy a wide array of sensors packages enabling it to flexibly meet expanded mission profiles and requirements."

The WASP is a highly tactical and mobile aerostat system which can be operated by as few as two soldiers and can provide day/night video and wireless communication range extension from either a fixed, stationary position or while being towed. Over the past three years, U.S. Army-owned WASP systems have successfully completed thousands of hours of soldier training operations in addition to successfully completing various DoD exercises. WASP is currently being utilized by the DoD as a mobile, tactical aerial solution that can support various ISR (Intelligence, Surveillance and Reconnaissance) mission profiles involving ground-based assets as well as aerial assets through communication retransmission. Operating at altitudes of up to 1,500 feet AGL with launch sites at 6,000 feet ASL, the WASP system can significantly extend ISR capabilities and communications in remote and austere locations. The soldier-operated systems can be rapidly configured to support a variety of mission requirements for days, weeks or months with customized payloads.

About Drone Aviation Holding Corp.

Drone Aviation Holding Corp. (OTCQX: DRNE) develops and manufactures cost-effective, compact and rapidly deployable aerial platforms, including lighter-than-air aerostats and electric-powered drones designed to provide government and commercial customers with enhanced surveillance and communication capabilities. Utilizing a proprietary tether system, Drone Aviation's products are designed to provide prolonged operational duration capabilities combined with improved reliability, uniquely fulfilling critical requirements in military, law enforcement, commercial, and industrial applications. For more information about Drone Aviation, please visit www.DroneAviationCorp.com or view our reports and filings with the Securities and Exchange Commission at <http://www.sec.gov>, including the Risk Factors included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, as well as information in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Forward-Looking Statements

Statements in this press release that are not historical facts are forward-looking statements that reflect management's current expectations, assumptions, and estimates of future performance and economic conditions, and involve risks and uncertainties that could cause actual results to differ materially from those anticipated by the statements made herein. Such statements are made in reliance upon the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are generally identifiable by the use of forward-looking terminology such as "believe," "expects," "may," "will," "should," "plan," "intend," "on condition," "target," "see," "potential," "estimates," "preliminary," or "anticipates" or the negative thereof or comparable terminology, or by discussion of strategy or goals or other future events, circumstances, or effects. Moreover, forward-looking statements in this release include, but are not limited to, those relating to:

growing demand for drones for military and state and local law enforcement authorities and the scope and schedule of the work to be performed under the DoD award described in this press release. The Company's financial results and the forward-looking statements could be affected by many factors, including, but not limited to, demand for the Company's products and services, economic conditions in the U.S. and worldwide, changes in appropriations by Congress and reduced funding for defense procurement and research and development programs, and our ability to recruit and retain management, technical, and sales personnel. Further information relating to factors that may impact the Company's results and forward-looking statements are disclosed in the Company's filings with the SEC. The forward-looking statements contained in this press release are made as of the date of this press release, and the Company disclaims any intention or obligation, other than imposed by law, to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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