

Drone Aviation Delivers Enhanced WASP Tactical Aerostat to U.S. Department of Defense Supporting Multiple Communications and Optical Payloads

US Government Customer to Receive Mobile, Tactical, Multi-Mission Capable WASP System Featuring Dual Payload Support and Over 30km Communications Range Extension Capabilities

JACKSONVILLE, FL -- (Marketwired) -- 03/01/17 -- 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 successfully completed the integration of Government-furnished ISR equipment supporting the simultaneous use of communications and optical payload packages onto the [Winch Aerostat Small Platform \("WASP"\)](#) tactical aerostat under its most recent contract award from the U.S. Department of Defense ("DoD").

Under terms of the integration contracts valued in excess of \$346,000 awarded to the Company in second half 2016, Drone Aviation has integrated both advanced communications and optical sensors onto the WASP adding new mission capabilities that were previously only available on much larger, multi-million-dollar stationary aerostat systems such as the Persistent Ground Surveillance System (PGSS) aerostats. With these new capabilities, the WASP aerostat can now support multiple advanced communications and optical payloads simultaneously, greatly expanding its mission flexibility to include a wider array of ISR (Intelligence, Surveillance and Reconnaissance) support requirements. The upgraded payload system now also includes secure voice and data network range extension highlighted by the ability to extend communications to over 30km. This secure communications range extension is made possible by a unique and proprietary architecture providing encryption technology enabling the radio asset to be safely located at the Tactical Operations Center (TOC) or other facility on the ground, rather than on the airborne aerostat.

"Today's military and security forces are increasingly demanding persistent, mobile, small footprint tactical solutions that can do more without high acquisition costs and significant contractor logistical support, requirements that the WASP is uniquely able to meet," said Bruce Hardy, Vice President of Sales of Drone Aviation. "With completion of this latest integration contract, the WASP continues to demonstrate the platform's unmatched tactical ISR and communications capabilities and its unique ability to provide flexible mobile operations to meet the most demanding military mission 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 four years, U.S. Army-owned WASP systems have successfully completed thousands of hours of soldier training operations, various DoD exercises, and customer operations. WASP is currently being utilized by the DoD as a mobile, tactical aerial solution that can support various ISR 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 patented 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: the ability to support future military needs for advanced voice and data communications applications, the continuation of growing demand for drones for military and state and local law enforcement authorities. 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.

Image Available: http://www.marketwire.com/library/MwGo/2017/2/28/11G131720/Images/New_WASP_Flight-7792053ebae9b76186903c4208dc88dd.JPG

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