

Drone Aviation Awarded Department of Defense Contract for WATT Electric Tethered Drones

First DoD WATT Contract Award Marks Milestone for the Company's Patented Tethered Drone Technology

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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 been awarded a contract to supply its WATT electric tethered drones to a U.S. Department of Defense (DoD) customer.

The contract, valued at approximately \$400,000, includes WATT electric tethered drones and complete in-field support packages and operator flight training. The WATT is designed for intelligence, surveillance and reconnaissance ("ISR") applications supporting dual sensor Electro-Optical/Infrared ("EO/IR") military-grade, highly stabilized turret-style gimballed payloads providing day and nighttime video for use in all-weather environments.

"This new award from the DoD is a significant milestone for our Company as we officially begin to train and support our nation's early adopters of tethered drones," said Jay Nussbaum, Chairman and CEO of Drone Aviation. "We expect this initial award to generate valuable data and deployment experience, something we intend to leverage to convert our prospect pipeline into tethered drone sales to customers in the government and commercial markets. We look forward to working closely and supporting our new customer which we believe will continue to strengthen our long-standing relationship with the DoD," added Mr. Nussbaum.

The patented WATT Electric Tethered Aerial Platform (ETAP) is the Company's turn-key electric tethered drone designed to provide secure and reliable aerial communications and monitoring for extended durations. WATT utilizes a high strength, Kevlar®-armored tether connected to the ground providing uninterrupted power, unjammable command and control, and secure collection and distribution of sensor data, to deliver highly effective coverage from altitudes up to 400 feet for up to 8 hours or more. Supporting advanced mil-spec communications packages and sensors, including highly stabilized zoom EO/IR systems, WATT provides excellent persistent ISR and aerial monitoring capabilities over a wide area. The WATT ETAP is uniquely suited for a wide number of government, news gathering, industrial and emergency response applications where manned aircraft and even free-flying drones are unable to deliver the long flight duration and commercial grade real-time day or night video monitoring capabilities needed.

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:

expectations regarding the importance of data and experience collection in increasing sales and 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/2016/10/12/11G117824/Images/WATT_Tethered_Drone-771186cea21d878d965897f3f271cc8b.jpg

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