

8 June 2017

ASX Announcement

Mass Market Product Development

UUV Aquabotix Ltd (ASX:UUV) ("Aquabotix" or the "Company") is pleased to advise that it has commenced work on a consumer unmanned underwater vehicle (underwater drone) product.

To date, the Company has been focusing on commercial / industrial / military-grade unmanned underwater vehicles for the research, aquaculture, marine infrastructure, energy, law enforcement and defence industries, in the US\$5,000 to US\$100,000 range. The Company continues its focus on these higher-specification products, with a number of sales orders secured recently, the Company's business development and sales team having expanded with additional hires in the recent months, and the commencement of a build out of a comprehensive distributor network for the Company's commercial / industrial / military-grade products.

In addition, the Company has identified a gap in the consumer market, which currently does not have a recreational underwater drone offering available to it. While there are several unproven starts ups in the market, attempting to develop consumer underwater drones and pre-market such undeveloped concept vehicles, development of these third-party vehicles has not been completed (or in some cases even commenced), and consumers are unable to purchase a competitively-priced consumer-grade underwater drone today.

A simplified version of Aquabotix's existing technology that is already being used in the Company's substantially more complex vehicles currently being sold to the industry and governmental agencies, is suitable for the "insides" of the consumer product. For the design of the "outside" of the consumer underwater drone product, the Company has now entered into an agreement with the College of Architecture, Design, and Construction Management at the Wentworth Institute of Technology, Massachusetts, USA. Aquabotix will own all rights to the concepts, designs, models and any other intellectual property resulting from the project.

Aquabotix's CEO Mr. Durval Tavares commented "This project signals Aquabotix's advancement into the consumer space, potentially opening a large market segment for the Company. We believe that the underwater world is approximately five to seven years behind the aerial space, and it is clear to see how quickly consumer-grade aerial drones have proliferated the way people work and recreate. We see that trend translating to underwater drones in the years to come, and Aquabotix plans to be the leader in that space."

About Wentworth Institute of Technology

Wentworth Institute of Technology is a leading technical design and engineering university based in Boston, Massachusetts, USA, and ranks in the top-quartile for undergraduate and masters engineering programs. Founded in 1904 and based in central Boston, the university now offers bachelor's degrees in 17 engineering, technology, design and management majors.

Further Information

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About UUV Aquabotix Limited

Based in Sydney, Australia and Fall River, Massachusetts, USA, Aquabotix is an established underwater robotics company which manufactures and sells commercial and industrial-grade underwater drones and networked underwater cameras for commercial, high-end consumer and military applications. The Company owns the intellectual property in a range of unmanned underwater vehicles and underwater camera products and is an early-mover in a nascent industry.

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