

22 May 2018

ASX RELEASE

Listed Option Expiry

DroneShield Ltd (ASX:DRO) ("DroneShield" or the "Company") advises that the attached letter has been sent to holders of the Company's listed options (ASX:DROO), which are exercisable at \$0.22, as notification of the expiry of the listed options on 14 June 2018.

The last date of quotation of the DROO options on the ASX will be 8 June 2018.

Further Information

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About DroneShield Limited

Based in Sydney, Australia and Virginia, USA, DroneShield is a worldwide leader in drone security technology. The Company has developed the pre-eminent drone security solution that protects people, organisations and critical infrastructure from intrusion from drones. Its leadership brings world-class expertise in engineering and physics, combined with deep experience in defence, intelligence, and aerospace.

ENDS



22 May 2018

Dear Sir / Madam

EXPIRY OF LISTED OPTIONS (ASX CODE: DROO)

This letter is to notify you of the impending expiry of your DROO listed options (**Options**) in DroneShield Limited (**ASX:DRO**) at 5:00pm AEST on Thursday, 14 June 2018 (**Expiry Date**).

The number of Options you hold is included in the enclosed option exercise notification.

In accordance with ASX Listing Rules, DRO provides you with the following information:

- (a) each Option entitles you to apply for one fully paid ordinary share in the capital of DRO;
- (b) the exercise price payable to exercise your Options by the Expiry Date is \$0.22 per Option;
- (c) if you fail to exercise your Options prior to the Expiry Date, those Options will lapse and you shall have no further right or entitlement to those Options;
- (d) quotation of the Options on the Australian Securities Exchange (**ASX**) will end at close of trading on Friday, 8 June 2018;
- (e) the last available closing price of the listed shares in DRO prior to the date of this letter was \$0.195;
- (f) the last available closing price of the Options prior to the date of this letter was \$0.001;
- (g) the highest and lowest market sale price of DRO shares on ASX during the 3 months immediately preceding the date of this letter and the respective dates of those sales were:
 - Highest: \$0.29 on 15 March 2018;
 - Lowest: \$0.18 on 11 April 2018;
- (h) the highest and lowest market sale price of Options on ASX during the 3 months immediately preceding the date of this letter and the respective dates of those sales were:
 - Highest: \$0.04 on 15 March 2018;
 - Lowest: \$0.001 on 16 May 2018;
- (i) There is no underwriting agreement in place for the exercise of the Option.
- (j) you can exercise all or part of your Options prior to the Expiry Date by providing to the Company your completed written exercise notice specifying the number of Options being exercised (**Exercise Notice**) (as attached to this letter) and a payment of funds for the total exercise price for the number of Options being exercised by 5.00pm AEST on Wednesday 14 June 2018. The Exercise Notice will only be effective when the Company has received the full amount of the exercise price by close of business on the 14 June 2018.

Instructions regarding the methods of payment are included in the enclosed option exercise notification.

Should you have any questions, please contact Dean Jagger on 02 8072 1400.

Yours faithfully



Dean Jagger
Company Secretary
DroneShield Limited