



Applied Energetics Issues Letter to Shareholders

Tucson, AZ., May 7, 2018 -- Applied Energetics, Inc. (OTCQB: AERG) today announced that Acting Chief Executive Officer Thomas C. Dearmin has issued the following letter to shareholders.

Fellow Shareholders,

On March 9th, 2018, a new management team was put in place by the shareholders of Applied Energetics (AE). The new Board of Directors (BOD) are Thomas C. Dearmin, an original cofounder and CEO of the company, Jonathon Barcklow and Brad Adamcayk. Our BOD and Scientific Advisory Board are highly qualified and bring invaluable experience to the company. Their bios are available on our new website, www.aergs.com. As the first line of business, Thomas Dearmin was appointed acting CEO by the new board. In the weeks since, the company has undertaken a series of activities focused on certain high priority areas. Most notable of these are: A) understanding where the company currently stands on its current debt situation, and B) the reverification of the company's valuable patent portfolio. Management considers these two areas critical for the successful reconstitution of the company.

As such, the executive team has now developed a short-term action plan as follows:

- 1) Create and maintain a freshly updated website for shareholders. Visit our new website at www.aergs.com
- 2) Assess and publish the status and nature of AE's current intellectual property rights, available below to shareholders via our website, www.aergs.com
- 3) Recapitalize the company and address outstanding debt understood to be on the company's balance sheet. Concerning this, the company is currently in the process of 'paying in full' a number of 'time sensitive' very dilutive convertible debt loans put in place by Applied Energetics previous single executive board.
- 4) Corporate due diligence on 'previous' company financial and stock transactions with particular attention on large 'dilutive events', including issuance of shares that were registered on the company's Registration Statement Form S1 and as executive compensation from March 2, 2015.
- 5) Reestablish Director & Officer (D&O) liability insurance that had lapsed with previous single executive board.
- 6) Review all recent SEC filings; 10-K, 10-Q, 8-K and Form S-1 Registration Statement for filing timeliness, and content. These filings are available on Edger Online, www.sec.gov and at our www.aergs.com website.
- 7) Put in place a consultant agreement with Cameron Associates and Kevin McGrath to act as investor relations advisors to the company, including investor conferences, quarterly communications, meetings, and shareholder and investor inquiries.
- 8) Effectively use the AE Scientific Advisory Board (SAB) with emphasis on building corporate brand awareness, critical business contacts and participation in industry events.

- 9) Create agreement with Stephen McCahon PhD to act as high level scientific advisor with Applied Energetics. Dr. McCahon is one of three original company cofounders, a former AE company Chief Scientific Officer and architect of much of the company's critical intellectual property. Dr. McCahon will work on advanced technical innovation involving LGE™ projects with the DoD. Additionally, he will be actively involved in newly emerging commercial uses for directed energy projects, including LGE™ additive processes for Manufacturing 4.0, Technology 4.0 and the rapidly growing area of Internet of Things (IoT).
- 10) Restart R&D activities in Tucson, AZ; the company has a business plan in place for operations and personnel.
- 11) Continue to build a corporate leadership team with strong industry experience and relationships to assist in market pursuits and business development.
- 12) Work on critical outside teaming arrangements with key industry players.
- 13) Launch targeted business development effort to engage the US Government and its existing teaming partners, while communicating the value of AE's intellectual property and corporate capabilities.
- 14) Evaluate options concerning selection of legal and SEC counsel with respect to representing the company on important corporate law matters going forward.

AE's executive team is committed to providing full transparency and updates with respect to the nature and timing of events listed above. AE's immediate goal will be to leverage the current strength of its patent portfolio and its executive team's experience in this market to develop a product road map that enables AE to engage with clients on existing and new technologies.

Below is an Updated List of AE's Patent Portfolio

Applied Energetics (AE) has obtained and reviewed the status of its intellectual property from the US Patent Office. The information covered below was disclosed in an 8-K on April 10, 2018 and is current as of April 9, 2018. It covers all known active patents and patent applications* currently held by AE. The patents are as follows:

AE Publicly Held Patents

Application No	Title	Filing Date	Patent No	Issue Date	Status
11/345,416	ELECTRICAL ENERGY DISCHARGE CONTROL	2/1/2006	7345430	3/18/2008	Issued
11/126,509	SYSTEMS AND METHODS FOR IGNITING EXPLOSIVES	5/9/2005	7987760	8/2/2011	Issued
11/787,423	DISABLING A TARGET USING ELECTRICAL ENERGY	4/16/2007	8004816	8/23/2011	Issued
11/345,173	HIGH VOLTAGE GENERATION	2/1/2006	7542314	6/2/2009	Issued
11/277,386	BARRIER PIERCING ELECTRODE	3/24/2006	7944674	5/17/2011	Issued
10/640,304	GENERATION OF OPTICAL FILAMENTS BY USE OF PHASE PLATE	8/14/2003	7050469	5/23/2006	Issued
10/640,336	GENERATION OF OPTICAL FILAMENTS BY USE OF LOCALIZED OPTICAL INHOMOGENEITIES	8/14/2003	7277460	10/2/2007	Issued
11/357,701	CONTROLLED OPTICAL FILAMENT GENERATION AND ENERGY PROPAGATION	2/17/2006	7903698	3/8/2011	Issued
11/970,916	REGENERATIVE LASER AMPLIFIER	1/8/2008	7982947	7/19/2011	Issued
09/379,224	METHOD AND APPARATUS FOR HIGH SPEED ELECTRON BEAM RAPID PROTOTYPING	8/23/1999	6537052	3/25/2003	Issued
10/357,200	LOOSELY COUPLED PARALLEL RESONANT CONVERTER	2/4/2003	6934165	8/23/2005	Issued
12/436,018	INTRINSICALLY SAFE SYSTEMS AND METHODS FOR GENERATING BI-POLAR HIGH VOLTAGE	5/5/2009	8358521	1/22/2013	Issued
11/780,245	ELECTRICAL ENERGY DISCHARGE CONTROL	7/19/2007	7465900	12/16/2008	Issued
12/954,308	AXIAL WALK OFF MULTI-PASS AMPLIFIERS	11/24/2010	8896915	11/25/2014	Issued
12/954,329	OFF AXIS WALK OFF MULTI-PASS AMPLIFIERS	11/24/2010	8749880	6/10/2014	Issued
13/357,253	MULTI-PASS OPTICAL SYSTEM FOR A PUMP LASER	1/24/2012	8665516	3/4/2014	Issued
13/164,506	REGENERATIVE LASER AMPLIFIER	6/20/2011	8891162	11/18/2014	Issued
13/363,071	SYSTEMS AND METHOD FOR IGNITING EXPLOSIVES	1/31/2012	8499675	8/6/2013	Issued
13/692,600	OPTICAL SURVEILLANCE SYSTEMS AND METHODS	12/3/2012	9103723	8/11/2015	Issued

AE Patents Held Under Secrecy Order of the US Government

11/126,512	SYSTEMS AND METHODS FOR TRANSFERRING ELECTRICAL ENERGY	5/9/2005			Secrecy Order
10/548,012	LASER INDUCED SEEDED CHANNEL PLACEMENT	9/30/2005			Secrecy Order
11/126,519	SYSTEMS AND METHODS FOR TRANSFERRING ELECTRICAL ENERGY	5/9/2005			Secrecy Order
11/126,520	SYSTEMS AND METHODS FOR GENERATING AN ENERGY CHANNEL	5/9/2005			Secrecy Order
10/548,008	ELECTRICAL ENERGY TRANSFER	9/30/2005			Secrecy Order
10/548,010	SENDING ENERGY TRANSFER CHANNELS WITH A LASER AND THE OPTICAL ELEMENTS AND METHODS THEREOF	9/30/2005			Secrecy Order
11/414,808	SYSTEMS AND METHODS FOR DISCHARGING ELECTRICAL ENERGY	5/1/2006			Secrecy Order
11/520,162	AIMING AND ENERGY DISCHARGE ELECTRODE	8/30/2006			Secrecy Order
11/520,160	PLASMA LOCATION	8/30/2006			Secrecy Order
11/999,007	HIGH VOLTAGE CATHODE	4/15/2008			Secrecy Order
13/134,431	ELECTRICAL ENERGY TRANSFER	6/29/2011			Secrecy Order

As defined by Section 35 of the US Code of Federal Regulations (CFR): A Secrecy Order remains in effect for a period of 1 year from its date of issuance. A Secrecy Order may be renewed for additional periods of not more than 1 year upon notice by a government agency that the national interest so requires. The applicant is notified of any such renewal.

Sincerely,

Thomas C. Dearmin

**Thomas C. Dearmin,
Acting Chief Executive Officer**

ABOUT APPLIED ENERGETICS, INC.

Applied Energetics, Inc., based in Tucson, Arizona, specializes in development and manufacture of advanced high-performance lasers, high voltage electronics, advanced optical systems, and integrated guided energy systems for defense, aerospace, industrial, and scientific customers worldwide. Applied Energetics pioneered and holds all intellectual property rights to the development and use of Laser Guided Energy™ (LGE™) technology, and related solutions for commercial, defense and security applications.

FORWARD LOOKING STATEMENTS

Certain statements in this press release constitute forward-looking statements within the meaning of the Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements include all statements that do not relate solely to the historical or current facts and can be identified by the use of forward looking words such as "may", "believe", "will", "expect", "project", "anticipate", "estimates", "plans", "strategy", "target", "prospects" or "continue", and words of similar meaning. These forward-looking statements are based on the current plans and expectations of our management and are subject to a number of uncertainties and risks that could significantly affect our current plans and expectations, as well as future results of operations and financial condition and may cause our actual results, performances or achievements to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. We do not assume any obligation to update these forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors affecting such forward-looking statements.

FOR FURTHER INFORMATION PLEASE CONTACT:

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