



**ASTROTECH'S 1ST DETECT AND BATTELLE COLLABORATION AWARDED PHASE III OF
THE DOD'S JPEO-CBD NEXT GENERATION CHEMICAL DETECTION SOLUTION
- Milestone marks transition from development to prototype -**

Austin, Texas – Aug. 23, 2016 – Astrotech Corporation (NASDAQ: ASTC) subsidiary 1st Detect Corporation and strategic partner Battelle Memorial Institute completed the Brassboard Phase and were awarded the Final Prototype Phase of the US military's Next Generation Chemical Detector (NGCD) Multi-Sample Identifier (MSI) Technology Maturation and Risk Reduction Program. During this upcoming phase, 1st Detect will deliver multiple OEM-1000NG Core Analyzer units for integration into Battelle's NGCD prototype solution. Battelle is the prime contractor for the Department of Defense's Joint Program Executive Office for Chemical and Biological Defense (DOD'S JPEO-CBD) next generation chemical detection solution program.

"We are pleased to have passed Phase II," stated Brent Shroy, Manager of Battelle's CBRNE Product & Lifecycle Management Business. "1st Detect's chemical analyzer is the engine that enables the detection of complex compounds with high levels of sensitivity and accuracy. Through our collaboration, we have created a rugged, lightweight instrument that delivers lab quality performance and can be easily employed in the field. We look forward to continuing with 1st Detect to further refine our solution during Phase III."

"In Phase III, our NGCD solution will undergo additional testing to validate performance in a variety of military operational environments," stated Thomas B. Pickens III, CEO of Astrotech. "We are confident our collaboration will advance to the EMD phase with the government. Our technical program team has done an outstanding job developing a joint detection solution for use in post-event reconnaissance and surveillance."

About Battelle Memorial Institute

Every day, the people of Battelle apply science and technology to solving what matters most. At major technology centers and national laboratories around the world, Battelle conducts research and development, designs and manufactures products, and delivers critical services for government and commercial customers. Headquartered in Columbus, Ohio since its founding in 1929, Battelle serves the national security, health and life sciences, and energy and environmental industries. For more information, visit www.battelle.org.

About 1st Detect Corporation

1st Detect, a subsidiary of Astrotech Corporation (NASDAQ: ASTC), develops, manufactures, and sells powerful, highly sensitive, and accurate mass spectrometers that are used in explosive and chemical warfare detection for the Department of Homeland Security and the military. The 1st Detect technology can also be used in various medical and industrial applications including breath analysis, leak detection and food and beverage manufacturing. These capabilities, combined in an economically priced, transportable, and ruggedized solution, make it an ideal tool for a variety of applications. For more information on 1st Detect Corporation, please visit www.1stDetect.com.

About Astrotech Corporation

Astrotech Corporation (NASDAQ: ASTC) is an innovative science and technology company that invents, acquires, and commercializes technological innovations sourced from research institutions, laboratories, universities, and internally, and then funds, manages, and builds proprietary, scalable start-up companies for profitable divestiture to market leaders to maximize shareholder value. Sourced from Oak Ridge Laboratory's chemical analyzer research, 1st Detect develops,

manufactures, and sells powerful, highly sensitive, and accurate mass spectrometers that can be used in explosive and chemical warfare detection for the Department of Homeland Security and the military. Sourced from decades of image research from the laboratories of IBM and Kodak combined with classified satellite technology from government laboratories, **Astral Images** sells film to digital image enhancement, defect removal and color correction software, and post processing services providing economically feasible conversion of television and feature 35mm and 16mm films to the new 4K ultra-high definition (UHD), high-dynamic range (HDR) format necessary for the new generation of digital distribution. Sourced from NASA's extensive microgravity research, **Astrogenetix** is applying a fast-track on-orbit discovery platform using the International Space Station to develop vaccines and other therapeutics. Demonstrating its entrepreneurial strategy, Astrotech management sold its state-of-the-art satellite servicing operations to Lockheed Martin in August 2014. Astrotech has operations throughout Texas and is headquartered in Austin. For information, please visit www.astrotechcorp.com.

This press release contains forward-looking statements that are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks, trends, and uncertainties that could cause actual results to be materially different from the forward-looking statement. These factors include, but are not limited to, whether we can successfully develop our proprietary technologies and whether the market will accept our products and services, as well as other risk factors and business considerations described in the Company's Securities and Exchange Commission filings including the annual report on Form 10-K. Any forward-looking statements in this document should be evaluated in light of these important risk factors. The Company assumes no obligation to update these forward-looking statements.

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