

DIGITAL ALLY RECEIVES *DVM-500 PLUS* ORDER FROM STATE POLICE UNDER NEW STATEWIDE CONTRACT WITH KENTUCKY

TWO OTHER STATES PLACE ORDERS FOR *DVM-500 PLUS* IN-CAR VIDEO SYSTEMS UNDER STATEWIDE CONTRACTS

OVERLAND PARK, Kansas (May 23, 2011) – Digital Ally, Inc. (Nasdaq: DGLY), which develops, manufactures and markets advanced video surveillance products for law enforcement, homeland security and commercial applications, today announced that it has been awarded a statewide contract by the State of Kentucky.

The one-year contract includes an option for renewal in four one-year increments by mutual agreement. The contract allows for all state, county and municipal law enforcement agencies in the State to purchase Digital Ally in-car video systems and related products at pre-negotiated prices. Coincident with the awarding of the contract, Digital Ally received an order from the Kentucky State Police for 16 *DVM-500 Plus* digital in-car video systems.

The Company also announced that it has received a reorder from the Mississippi Highway Patrol for 100 *DVM-500 Plus* systems, bringing the total number of in-car video systems purchased by the State's highway patrol department under the terms of a statewide contract with Digital Ally to over 400 units. The Michigan State Police has also placed initial orders for *DVM-Plus 500* systems, as authorized under a previously announced statewide contract that was awarded to Digital Ally earlier this year.

"As we noted in an investor conference call on May 11, 2011, the number of orders received under statewide contracts during the first quarter of 2011 was disappointing, but we had been informed by several states that orders were under consideration and would likely be forthcoming soon," observed Stanton E. Ross, Chief Executive Officer of Digital Ally, Inc. "Today's announcement of orders from three law enforcement agencies under statewide contracts is very encouraging and will hopefully be followed by orders from additional states in coming months."

About Digital Ally, Inc.

Digital Ally, Inc. develops, manufactures and markets advanced technology products for law enforcement, homeland security and commercial applications. The Company's primary focus is digital video imaging and storage. For additional information, visit www.digitalallyinc.com

The Company is headquartered in Overland Park, Kansas, and its shares are traded on The Nasdaq Capital Market under the symbol "DGLY".

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Act of 1934. These forward-looking statements are based largely on the expectations or forecasts of future events, can be affected

by inaccurate assumptions, and are subject to various business risks and known and unknown uncertainties, a number of which are beyond the control of management. Therefore, actual results could differ materially from the forward-looking statements contained in this press release. A wide variety of factors that may cause actual results to differ from the forward-looking statements include, but are not limited to, the following: whether the Company will be able to increase revenues, regain profitability and generate positive cash flow in 2011 in the current economic environment; whether the Company will be able to replace its current credit facility when it matures in June 2011 or repay borrowings under the facility through cash flow; the Company's potential failure to extend, retire or replace the credit facility when due, which would have a material adverse effect on its business operations, financial condition and prospects, including its ability to continue operating as a going concern; the risk that any new credit facility, if obtained, will include terms and conditions not favorable to the Company; its ability to expand its share of the in-car video market in the domestic law enforcement community; whether there will be a commercial market, domestically and internationally, for one or more of its new products, including the FirstVU, Thermal Ally, Laser Ally and DVM-250 Video Event Recorder; competition from larger, more established companies with far greater economic and human resources; its ability to attract and retain customers and quality employees; the effect of changing economic conditions; and changes in government regulations, tax rates and similar matters. These cautionary statements should not be construed as exhaustive or as any admission as to the adequacy of the Company's disclosures. The Company cannot predict or determine after the fact what factors would cause actual results to differ materially from those indicated by the forward-looking statements or other statements. The reader should consider statements that include the words "believes", "expects", "anticipates", "intends", "estimates", "plans", "projects", "should", or other expressions that are predictions of or indicate future events or trends, to be uncertain and forward-looking. The Company does not undertake to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise. Additional information respecting factors that could materially affect the Company and its operations are contained in its annual report on Form 10-K for the year ended December 31, 2010 and its Form 10-Q for the three months ended March 31, 2011, as filed with the Securities and Exchange Commission.

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