KRAKEN REPORTS POSITIVE NET INCOME IN Q3

Management Expects Strong Growth in Q4 and 2018

ST. JOHN'S, NEWFOUNDLAND, November 30, 2017 /Marketwired/ -- Kraken Robotics Inc. (TSX-V: PNG) (OTCQB: KRKNF) (the "Company" or "Kraken") announces that it has filed its financial results for the third quarter ended September 30, 2017. Additional information concerning the Company, including its unaudited consolidated financial statements and related management's discussion and analysis ("MD&A") for the quarter ended September 30, 2017, can be found at www.sedar.com. Unless otherwise stated, all dollar amounts are Canadian dollar denominated.

CEO Comments

"The third quarter was a solid quarter for Kraken", said Karl Kenny, President and CEO of Kraken. "We delivered AquaPix® systems to two European customers, Kraken Germany shipped its first customized SeaVision™ laser imaging solution resulting in first revenues for Kraken Germany, and we recorded service revenue from two customers including the OEX Recovery Group and an unnamed global defense contractor. Year-to-date, we have received contracts totaling more than $7 million, which is more than triple our 2016 revenue. The new product introductions and business development efforts made over the last 18 months are starting to pay off with further customer engagements, new strategic alliances and additional market access. We expect this positive momentum to continue through the end of 2017 and into 2018 as we are actively bidding on significant new business across all of our market segments."

Q3 2017 Overview

- Revenues for the three months ended September 30, 2017 were $1.6 million compared to $0.9 million in the comparable year ago period. Revenues during the quarter related to delivery of our AquaPix® MINSAS sensor product to two European defense customers, first revenues from our Robotics-as-a-Service offering with OEX Recovery Group, first revenue from a sea trial with a large global defense contractor, and Kraken Robotik GmbH's first revenues (for a 6,000-metre rated 3D laser/optical imaging system).

- Net Income for the quarter was $0.1 million versus net income of approximately $0 in the year ago quarter. The Company made R&D investments for new product development, marketing, and business development and expect this to continue in 2018. The growth in expenses resulted from a strategic decision to grow headcount to

have the resources in place for an expected increase in orders, as well as product and business development efforts.

- At the end of Q3, Kraken had $1.5 million of unused, non-dilutive, government grants. Kraken submits monthly invoices to be reimbursed with these grants and expects to utilize these grants over the coming three to four quarters. Kraken also expects to receive approximately $0.35 million in R&D tax credit refunds relating to the 2015 and 2016 year-ends.

- Kraken ended Q3 with 90.8 million shares outstanding. Basic and diluted weighted average shares outstanding increased to 90.8 million versus 89.3 million in Q2 2017.

Outlook for the Q4 and 2018

We expect strong growth in Q4 and 2018 based on recently announced contracts and business development efforts. Notable items, which give us confidence include:

- A $3 million sensor contract with Ocean Infinity was announced on September 7, 2017. Ocean Infinity will integrate Kraken's 6000M rated AquaPix® MINSAS120 sensors onto their Kongsberg HUGIN underwater vehicles. Ocean Infinity has been recently profiled in several media outlets. These outlets have reported that Ocean Infinity is close to finalizing a contract to restart the deep-sea search for the lost MH370 aircraft which was lost in March 2014. Kraken expects to deliver the first 2 (of 8) SAS sensors to Ocean Infinity in Q4.

- A $2 million contract with an unnamed customer for an underwater robotic solution was announced on September 21, 2017.

- A strategic partnership agreement with Avitas Systems, a GE Venture, was announced on October 26, 2017. Kraken and GE will integrate underwater robotics, acoustic and laser sensor technology and artificial intelligence-based predictive analytics software for subsea inspection solutions targeted to the oil and gas, offshore renewable energy, and shipping industries.

- A $0.75 million contract for the oil and gas sector was announced November 16, 2017. Awarded by Petroleum Research NL, the contract is for the development of underwater sensors and robotics that will advance digitalization of integrated operations within Newfoundland and Labrador's offshore oil and gas sector. Petroleum Research NL is a member-based organization that identifies research and technology development

opportunities that deliver value to its oil and gas industry participants. Its members include Chevron Canada Resources, ExxonMobil Canada Ltd., Husky Energy, Statoil Canada and Suncor Energy.

▪ Increased traction in the U.S. military and government markets. The United States remains an important and strategic market for Kraken. In addition to programs of record, the U.S. Navy and Marine Corps will continue to test and integrate advanced sensors and unmanned platforms for sea sensing, oceanography and mine countermeasures. Kraken sees significant potential for its Synthetic Aperture Sonar and 3D underwater laser imaging system as well as emerging opportunities for its underwater robotic platforms, including the KATFISH™ high speed SAS towed system within these communities. The advice and guidance provided by our newest board member, retired Vice Admiral Michael Connors, is already increasing our understanding of how our sensors and robotics provide value to the United States military, homeland security and government markets.

▪ Increased international activity. Kraken is engaged in several international pursuits with countries that plan to make significant purchases to upgrade their existing naval mine-hunting systems. Management estimates that Kraken's portion of such contract awards could exceed $100 million.

▪ Potential to be part of a winning Ocean Technology Supercluster team as chosen under the Canadian government's Innovation, Science and Economic Development innovation supercluster initiative. In late November, final supercluster submissions were made by the 9 finalist teams. The Canadian government is expected to choose between three to five superclusters to support with up to $950 million of funding over a 5-year term. Kraken is part of the Ocean Technology Supercluster team.

ABOUT KRAKEN ROBOTICS INC.

Kraken Robotics Inc. (TSX.V:PNG) (OTCQB: KRKNF) is a marine technology company, founded in 2012, that is dedicated to the production and sale of software-centric sensors and underwater robotic systems. The company is headquartered in St. John's, Newfoundland with offices in Dartmouth, Nova Scotia; Bremen, Germany; and Fairfax, Virginia. For more information, please visit www.krakensonar.com, www.krakenrobotik.de, www.krakenpower.de. Find us on social media on Twitter (@krakenrobotics), Facebook (@krakenroboticsinc), and LinkedIn.

Certain information in this news release constitutes forward-looking statements. When used in this news release, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. In particular, this news release

contains forward-looking statements with respect to, among other things, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Company's current views with respect to future events based on certain material factors and assumptions and are subject to certain risks and uncertainties, including without limitation, changes in market, competition, governmental or regulatory developments, general economic conditions and other factors set out in the Company's public disclosure documents. Many factors could cause the Company's actual results, performance or achievements to vary from those described in this news release, including without limitation those listed above. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this news release and such forward-looking statements included in, or incorporated by reference in this news release, should not be unduly relied upon. Such statements speak only as of the date of this news release. The Company does not intend, and does not assume any obligation, to update these forward-looking statements. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

Neither the TSX Venture Exchange Inc. nor its Regulation Services Provide (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release, and the OTCQB has neither approved nor disapproved the contents of this press release.

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