



KRAKEN AWARDED \$750,000 OIL & GAS CONTRACT

ST. JOHN'S, NEWFOUNDLAND, NOVEMBER 16, 2017 /Marketwired/ -- Kraken Robotics Inc. (TSX-V: PNG) (OTCQB: KRKNF) announced today that its wholly-owned subsidiary, Kraken Robotic Systems Inc. has been awarded a competitive contract valued at approximately \$750,000 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.

Contract funding is being provided by Petroleum Research Newfoundland and Labrador (PRNL), InnovateNL and industry partners. The contract will commence in 4Q17 and conclude in 4Q18.

Karl Kenny, Kraken President and CEO said, "We are very pleased to win this contract as it enables us further entry into the oil and gas industry. The rapid progression of technology such as sensors, robotics, big data and predictive analytics offer oil and gas operators the ability to digitize and automate high-cost, dangerous and error-prone tasks. While digitalization offers many potential benefits in the upstream value chain, some of the biggest opportunities are in integrated operations, such as reducing unplanned downtime by enhancing asset integrity management."

Alan Clarke, Chief Executive Officer of PRNL said, "PRNL is pleased to support Kraken's initiatives in digitalization of the oil field. This project is consistent with our member's pursuit of opportunities to gain competitive advantage by harnessing new technologies to improve operational efficiencies, increase cost savings, improve real-time understanding of operations and the environment and reduce risk within Newfoundland and Labrador's offshore environment."

Under the terms of contract, Kraken will integrate its SeaVision™ 3D laser imaging sensor and underwater robotics technologies with a cloud-based data analytics infrastructure to demonstrate an end-to-end digitalization methodology for subsea asset integrity management. Cloud-based integration, predictive analytics and open-architecture Robotics-as-a-Service (RaaS) concepts will also be evaluated.

This digitalization methodology will provide: 1) unprecedented visibility by connecting with subsea assets in a controlled and repeatable process, any time and from any vendor; 2) insights by capturing holistic views of asset condition with predictive-based maintenance; and 3) optimized asset performance by balancing reliability, performance and cost when defining maintenance strategies across operations.

The two key goals of the project are a) demonstration and evaluation of a substantially improved process for data collection, analysis and predictive analytics for oil-field Inspection, Maintenance and Repair and b) demonstration of a next generation 3D subsea imaging / asset inspection solution that generates millimetre resolution data.

ABOUT DIGITALIZATION OF THE OIL & GAS INDUSTRY

Oil and gas companies are no stranger to big data, technology and digital innovation. In the 1980s and 90s, the oil and gas industry began to adopt digital technologies to boost operational efficiencies at oil fields around the world. However, since then the industry has not taken advantage of the opportunities that derive from using big data and robotic technology in a meaningful way. A single drilling rig can generate terabytes of data every day, yet only a small fraction of it is used for decision-making.

As other capital-intensive industries such as aviation and automotive have revolutionized their business and operating models through a holistic application of digital technologies, the opportunity for the oil and gas industry to leverage the transformational impact of digitalization has become more evident.

In January 2017, the World Economic Forum published a white paper entitled, *“Digital Transformation Initiative: Oil and Gas Industry”*. It undertook analysis to assess the potential for digitalization in the oil and gas sector to unlock benefits for the industry, its customers and society more generally from 2016 - 2025. Key findings from this analysis include the following:

- Digitalization in the oil and gas industry could unlock approximately US\$1.6 trillion of value for the industry, its customers and wider society.
- This total estimated value from digitalization can further increase to US\$2.5 trillion if existing organizational/ operational constraints are relaxed and the impact of "futuristic" technologies such as cognitive computing are considered.
- Environmental benefits include reducing CO₂-equivalent emissions by approximately 1,300 million tonnes, saving about 800 million gallons of water and avoiding oil spills equivalent to about 230,000 barrels of oil.

The white paper can be found at: <http://reports.weforum.org/digital-transformation/oil-gas/>

ABOUT PETROLEUM RESEARCH NEWFOUNDLAND AND LABARDOR (PRNL)

PRNL is a federally-incorporated, not-for-profit organization that facilitates and funds R&D on behalf of Newfoundland and Labrador's offshore oil and gas industry. Over C\$60 million in R&D projects have been managed by PRNL since 2012. PRNL is a member-based organization that identifies research and technology development opportunities that deliver value to its oil and gas industry participants. PRNL partners with academia, industry and government organizations to develop and deliver research programs and projects that range from under C\$100K to more than C\$5M. Petroleum Research's members are:

- Chevron Canada Resources;
- ExxonMobil Canada Ltd.;
- Husky Energy;
- Statoil Canada; and,
- Suncor Energy.

For more information about PRNL, please visit: <http://www.petroleumresearch.ca/>

ABOUT KRAKEN

Kraken Robotics Inc. (TSX.V:PNG) is a marine technology company, founded in 2012, that is dedicated to the production and sale of software-centric sensors and underwater robotic systems. For more information, please visit: www.krakenrobotics.com, www.krakenrobotik.de, www.krakenpower.de.

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.

For further information, please contact:

Sean Peasgood, Investor Relations
(416) 565-2805
sean@sophiccapital.com

Stephen Harpur, Investor Relations
(604) 306-6142
steve@harpurinc.com

Greg Reid, Chief Financial Officer
(416) 818-9822
greid@krakenrobotics.com

Glenda Leyte, Marketing Manager
(709) 757-5757 extension 288
gleyte@krakenrobotics.com

Alan Clarke, Chief Executive Officer
(709) 738-7921
Alan.Clarke@petroleumresearch.ca