Avitas Systems, a GE Venture, Partners with Kraken to Advance Subsea Robotic Inspection

First-of-its-kind integration of artificial intelligence, autonomous underwater vehicles, laser sensors, and 3D imaging to advance inspection services for the oil and gas industry

ST. JOHN'S, NEWFOUNDLAND – OCTOBER 26, 2017 /Marketwired/ -- Kraken Robotics Inc. (TSX-V: PNG) (OTCQB: KRKNF) announced today that its wholly-owned subsidiary, Kraken Robotic Systems Inc., has entered a strategic partnership with Avitas Systems, a GE Venture. The companies will integrate Autonomous Underwater Vehicles (AUVs), acoustic and laser sensor technology and artificial intelligence-based navigation software into unique subsea inspection solutions for the oil and gas, offshore renewable energy, and shipping industries. The announcement was made during GE's Mind + Machines event in San Francisco, California.

"Bridging Kraken's cost-effective technologies with our autonomy, state-of-the-art platform, and domain knowledge allows us to commercialize efficient solutions tailored to the oil and gas industry's specific needs," said Brad Tomer, Vice President of Operations at Avitas Systems, who attended GE's Minds + Machines event in San Francisco. "We look forward to developing complex solutions that offshore assets in challenging ocean conditions require."

Karl Kenny, Kraken's President and CEO, added, "Integrating our technologies with Avitas Systems will significantly enhance subsea asset management and provide improved safety, reduced costs and actionable intelligence for operators. We look forward to announcing our first contract during 4Q 2017."

Routine subsea inspections can be slow and costly and often include manual visual inspection with large margins of error. Utilizing enhanced imaging technology and inspection solutions will improve the jobs of inspectors and increase safety, accuracy, speed, cost efficiency and asset longevity. Avitas Systems will be able to complete subsea inspection with reduced cost and time, and operational footprint.

Kraken Robotics Inc., a world leader in marine technology, brings a broad range of cost efficient AUV technologies, such as underwater sensors, pressure tolerant batteries, thrusters and control electronics. Avitas Systems will integrate these technologies into an autonomous subsea inspection system. The data from this inspection will be uploaded into a state-of-the-art platform that includes robust data ingestion, automatic defect recognition, predictive analytics and a cloud-based visualization portal for oil and gas and offshore energy customers.

Across industries, Avitas Systems provides autonomous inspection with robots that can target specific points on industrial assets and follow precise paths from digitized 3D models. The paths' repeatability enables artificial intelligence-based change detection and automated defect recognition for smarter inspection scheduling based on anticipated risk. Early detection and resolution of potential industrial issues means safer, more reliable operations and enhanced asset integrity. Working with Kraken Robotics, Avitas Systems will now be able to apply this process to underwater inspections.

The partnership expands capabilities for inspections of ship and FPSO hulls, underwater production fields, subsea pipelines and cables and offshore wind farm assets. Kraken's SeaVision™ sensor, which can flexibly attach to AUVs and Remotely Operated Vehicles (ROVs), combines laser scanning and optical imaging to provide highly detailed data for inspectors and operators. The sensor's unprecedented colourized laser imagery better detects and characterizes corrosion, cracks, marine growth and other defects. SeaVision's laser scanning process can be repeated thousands of times per second to generate coordinate values for millions of points on a surface. These points then become highly accurate and intricate 3D models of subsea infrastructure.

Avitas Systems will also use sonar technology and navigational software from Kraken Robotics to optimize robots' abilities to follow supervisory commands, track pipeline or subsea field positioning with AI-powered swim paths and identify priority areas for inspection. Kraken's AquaPix® Synthetic Aperture Sonar (SAS) technology will specifically enable 3D volumetric imaging, particularly useful for buried pipeline inspection and broader seafloor viewing.

The high-resolution images of assets' surface contours can be inputted into the Avitas Systems cloud-based platform, where advanced algorithms fuse multiple sensor data, perform image analytics and predict actionable outcomes in real-time. The Avitas Systems platform can centralize and prioritize the inspection data by areas of interest to inspectors, which will increase efficiency.

SeaVision generates high resolution 3D imagery for predictive analytics. Source: Kraken Robotics Inc.

About Avitas Systems, a GE Venture

Avitas Systems is a GE Venture advancing the inspection services industry across oil and gas, transportation, and electric power sectors through predictive data analytics, robotics, and artificial intelligence. Its solutions increase safety and decrease inspection costs by providing state-of-the-art robotic-based autonomous and semi-autonomous inspection management, smart scheduling, and a cloud-based platform that analyzes and stores comprehensive inspection data. Avitas Systems delivers advanced insights based on anticipated risk, boosting facility productivity. For more information, visit http://www.avitas-systems.com/, or follow on Twitter (@Avitas_Systems) and LinkedIn.

About Kraken Robotics Inc.

Kraken Robotics Inc. is a marine technology company, founded in 2012, that is dedicated to the production and sale of software, sensors and robotic systems for the global Unmanned Maritime Vehicles market. For more information, please visit www.krakenrobotics.com, www.krakenrobotik.de, and 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

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