



ATLAS ELEKTRONIK AWARDS KRAKEN \$425,000 CONTRACT

AquaPix® MINSAS Integrated Onboard ATLAS SeaCat Autonomous Underwater Vehicle

ST. JOHN'S, NEWFOUNDLAND, August 30, 2017 /Marketwired/ - Kraken Sonar Inc. (TSX-V: PNG) (OTCQB: KRKNF) announced today that its wholly-owned subsidiary, Kraken Sonar Systems Inc. has been awarded a contract valued at over C\$425,000 by ATLAS ELEKTRONIK Canada. Kraken will supply and integrate its AquaPix® Miniature Interferometric Synthetic Aperture Sonar and Real-Time SAS Signal Processor on the Atlas SeaCat Autonomous Underwater Vehicle (AUV). Delivery is expected in September 2017.

AquaPix® is designed for operation on AUVs and towed platforms. The modular system uses the latest electronics, transducer arrays and signal processing software optimized for the demanding size, weight, power and cost constraints of unmanned maritime vehicles.

SeaCat is an approximately 3 metre and 280kg (depending on configuration) mid-size, modular, hybrid AUV that provides remotely operated vehicle (ROV) and AUV capabilities “as a truck” to the operating theatre. SeaCat has been fully certified and qualified and thus fulfils the important military (MIL-STD) and commercial (IHO S-44 special order, battery according to UN38.3) standards. In addition to the basic sidescan sensor suite SeaCat is now available with Kraken’s AquaPix® MINSAS for applications like minehunting or seabed boulder counting. In combination with its unique SwapHead® (open interface) mission bay, SeaCat can be equipped with a broad spectrum of sensors like multi-beam, camera, light, sub-bottom profiler, magnetometer, etc. To enhance maneuverability and range SeaCat is configurable with different thruster-sections and extended range modules (up to 20 hours autonomy). With a price of below 1 Million Euro for an initial SeaCat system it features an affordable, efficient and capable AUV system for shore – based, RHIB, USV and ship deployments.



SeaCat SAS during initial testing on ARCIMS USV with Kraken MINSAS in June 2017

Tim Kraemer, ATLAS Head of Business Line AUV, stated during the contract signature that he was very pleased that such a well performing SAS sensor has been identified for SeaCat AUV. The AquaPix® MINSAS is committed to the same product philosophy in terms of quality, performance and price value proposition as the SeaCat AUV.

Karl Kenny, Kraken President and CEO said, “Atlas has a long history when it comes to providing naval systems and maritime technologies to international customers. The company’s outstanding products include mine-countermeasure systems, sonar systems, command and control systems, and unmanned underwater vehicles (UUVS). Atlas has already sold over 3,000 UUVs to customers worldwide. Their dedication to underwater drone activities entails a deep knowledge of key technologies such as hydrodynamics, navigation, guidance and control, communication, sensors, software and system management that they have gained since the 1970s. We are very pleased to equip their SeaCat AUV with our AquaPix® system and look forward to continued growth.”

AquaPix® is an industry leading Synthetic Aperture Sonar system providing military grade technology that enables superior 3D seabed imaging, faster data processing and a lower cost than competing sonars. Conventional side scan systems are limited in that they only provide high resolution imagery at short ranges. AquaPix® produces ultra high-resolution seabed imagery at very long ranges. The additional information provided by AquaPix® delivers detection and identification capabilities that cannot be achieved with conventional sidescan sonar. Higher resolution allows AquaPix® to provide useable area coverage rates up to 10 times better than that of conventional sidescan, which reduces mission time and provides faster actionable intelligence.

AquaPix® also generates highly accurate 3D seafloor bathymetry data that is registered and geo-referenced to the same pixel grid co-ordinates as the imagery. Operators can simultaneously produce crisp seabed imagery and detailed 3D digital terrain maps of the seafloor that exceed IHO SP-44 survey standards. The capability of generating centimetre-scale resolution in all three spatial domains also provides significant performance improvements in the detection, classification and identification of small seabed objects.

Autonomous Underwater Vehicles are ideal sonar platforms and provide extremely stable platform for acoustic and laser imaging in a variety of water depths. Equipped with next-generation sensors such as Kraken's AquaPix®, AUVs are ideal for a wide variety of underwater defence, commercial and ocean science applications.

ABOUT KRAKEN

Kraken Sonar 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.

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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