

## NEWS RELEASE

### **KARL KENNY GRANTS PRIVATE OPTION OVER SHARES OF KRAKEN SONAR INC.**

ST. JOHN'S. NEWFOUNDLAND, August 14, 2017 – Karl Kenny announces that he has granted a private option (the “**Option**”) to Greg Reid under which Mr. Reid has the right to acquire ownership and control of 3,000,000 common shares (the “**Option Shares**”) of Kraken Sonar Inc. (TSXV: PNG) (“Kraken”) owned by Mr. Kenny at an exercise price of C\$0.18 per Option Share exercisable until August 14, 2022.

The 3,000,000 Option Shares that could be acquired by Mr. Reid from Mr. Kenny represent approximately 3.3% of the outstanding shares of Kraken.

Mr. Kenny, the President and Chief Executive Officer of Kraken, currently owns 27,743,383 common shares of Kraken, options to purchase 700,000 common shares of Kraken and warrants to purchase 16,666 common shares of Kraken. The common shares of Kraken held by Mr. Kenny represent approximately 30.6% of the outstanding shares of Kraken and, if Mr. Kenny exercised his options and warrants in full, he would hold approximately 31.1% of the outstanding shares of Kraken (assuming only the options and warrants held by Mr. Kenny were exercised). If the Option is exercised by Mr. Reid, Mr. Kenny would be required to dispose of the Option Shares and his ownership and control of Kraken shares would decrease from 27,743,383 shares to 24,743,383 shares, thereby decreasing his percentage ownership of common shares of Kraken from 30.6% to 27.3%. Mr. Kenny is not acting jointly or in concert with any person in respect of this potential disposition of the Option Shares.

The Option was granted in a private transaction and Mr. Kenny did not receive any consideration for the Option.

Mr. Kenny does not presently intend to make further investments or divestitures in Kraken. However, Mr. Kenny may exercise his options or warrants at his discretion and may participate in future financings of Kraken in the future.

A copy of the related early warning report filed with the British Columbia and Alberta Securities Commissions may be obtained from the SEDAR website ([www.sedar.com](http://www.sedar.com)).

*(signed) “Karl Kenny”*