



KRAKEN ANNOUNCES CLOSING OF \$6,000,000 BOUGHT DEAL FINANCING

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ST. JOHN'S, NEWFOUNDLAND – 20 DECEMBER 2018 - Kraken Robotics Inc. (“**Kraken**” or, the “**Company**”) (TSX-V: PNG) (OTCQB: KRKNF), is pleased to announce today that it has closed its previously announced “bought deal” short form prospectus offering (the “**Offering**”) of common shares of the Company (“**Common Shares**”). A total of 15,000,000 Common Shares were sold at a price of \$0.40 per Common Share (the “**Issue Price**”) for gross proceeds of \$6,000,000.

“Kraken is very pleased to have completed this financing with the continued support of our customer and strategic partner, Ocean Infinity Ltd., who subscribed for \$1,000,000”, said Karl Kenny, Kraken’s President and CEO. “We look forward to continuing to work with Ocean Infinity as we build a variety of products and services for the underwater robotics market.”

The Offering was completed by a syndicate of underwriters led by Clarus Securities Inc. as lead underwriter and sole bookrunner, and including Beacon Securities Limited (the “**Underwriters**”). In consideration for their services, the Underwriters received a cash commission equal to 6% of the gross proceeds of the Offering (3% in respect of President’s List purchasers) and compensation options (each a “**Compensation Option**”) equal to 4% of the Common Shares sold pursuant to the Offering (2% in respect of President’s List purchasers). Each Compensation Option entitles the holder thereof to purchase one Common Share at a price of \$0.60 until December 20, 2020.

The net proceeds of the Offering are expected to be used by the Company for leasehold improvements, capital expenditures, technology and licensing payments, additional equity investments in Kraken Power GmbH, parts and inventory, and general corporate and working capital purposes, as more particularly described in the Company’s final prospectus.

The Offering is subject to TSX Venture Exchange (“**TSXV**”) final acceptance of requisite regulatory filings.

*The securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any U.S. state securities laws, and may not be offered or sold in the United States without registration under the U.S. Securities Act and all applicable state securities laws or compliance with the requirements of an applicable exemption therefrom. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.*

About Kraken Robotics Inc.

Kraken Robotics Inc. is a marine technology company engaged in the design, development and marketing of advanced sensors, software and underwater robotics for Unmanned Maritime Vehicles used in military and commercial applications. We are recognized as world leading innovators of synthetic aperture sonar (SAS), a revolutionary underwater imaging technology that dramatically improves seabed surveys by providing ultra-high resolution imagery at superior coverage rates. Kraken has evolved from building world class SAS sensors to building world class underwater vehicles including tethered (KATFISH™) and autonomous (THUNDERFISH®) versions.

For more information, visit www.krakenrobotics.com.

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Forward-Looking Information:

This news release may contain “forward-looking information” and “forward-looking statements” within the meaning of applicable Canadian securities legislation. All information contained herein that is not historical in nature may constitute forward-looking information. Forward-looking statements herein include but are not limited to statements regarding the final acceptance of the TSXV and the use of proceeds, and are necessarily based upon a number of assumptions that, while considered reasonable by management, are inherently subject to business, market and economic risks, uncertainties and contingencies that may cause actual results, performance or achievements to be materially different from those expressed or implied by forward-looking statements. Except as required by law, the Company disclaims any obligation to update or revise any forward-looking statements. Readers are cautioned not to put undue reliance on these forward-looking statements.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this press release.