



Kraken Announces Acceleration of Ocean Infinity Battery Order and \$5 Million Advance Payments

Kraken Anticipates Follow-on Orders

ST. JOHN'S, Newfoundland, Nov. 28, 2018 -- Kraken Robotics Inc. (TSX-V: PNG) (OTCQB: KRKNF), is pleased to announce that Ocean Infinity has issued a \$6.5 million purchase order to its wholly owned subsidiary, Kraken Robotic Systems Inc., for deep sea batteries. Under a \$9 million deep-sea battery contract announced on August 1, 2018, Ocean Infinity issued an initial \$2.5 million purchase order with the next \$6.5 million purchase order expected in Q1 2019. Today Ocean Infinity has accelerated the delivery schedule, with all battery shipments now planned to start at the end of 2018 and finishing in Q3 2019. This is an acceleration of approximately six months from the previous schedule.

In order to help facilitate the delivery schedule and Kraken's working capital requirements as it scales battery production, Kraken will invoice Ocean Infinity in November and January for advance payments of approximately \$5 million.

Ocean Infinity CEO Comments

Oliver Plunkett, Ocean Infinity President & CEO, said, "At Ocean Infinity, we own and operate the world's most technologically advanced seabed data acquisition assets, capable of operating to extreme depths of up to 6,000 metres. In our drive to add value for our clients we are constantly striving to push the boundaries of what can be achieved with technology. Maximising underwater endurance is a critical aspect of our operational model. Using Kraken's pressure tolerant gel encapsulation battery technology, we can increase our energy capacity by over 50% in the same physical form factor as our existing conventional batteries. From an operational perspective, this gives us considerable flexibility to optimise mission plans, increase area coverage, manage weather impact and ultimately increase value for our customers in even the most remote portions of the world's oceans."

Kraken CEO Comments

Karl Kenny, Kraken's President and CEO, said, "Kraken Power's unique pressure tolerant gel encapsulation technology for lithium polymer batteries provides an attractively priced, eco-friendly and superior alternative to oil compensated batteries currently used for subsea battery applications. We are very pleased to support Ocean Infinity's AUV fleet battery upgrade. In simple terms, within the existing battery compartment footprint, our drop-in, field swappable batteries allow Ocean Infinity's AUVs to increase underwater mission time from 50-55 hours to 80-85 hours."

About the Ocean Infinity Battery Contract and Potential Expansion

Kraken will deliver batteries for five new Kongsberg Hugin Autonomous Underwater Vehicles (AUVs) recently purchased by Ocean Infinity, for integration at the manufacturer's facility in Norway. With the change in scheduling, these new vehicles will take some of the delivery slots initially intended for replacement of existing AUV fleet batteries. As such, Kraken expects a follow-on order from Ocean Infinity in the second half of 2019 for additional batteries and spares, beyond the initial \$9 million contract.

Kraken Robotics Plans to Increase Ownership in Kraken Power GmbH

The batteries for Ocean Infinity will be built by Kraken Power GmbH ("Kraken Power"), an entity in which Kraken currently holds a 19.9% interest. Kraken intends to increase its ownership position in Kraken Power to 75% by the end of 2018. This will be accomplished through the conversion of a convertible note of €110,000 into equity in Kraken Power as well as additional cash payment of €111,200. In addition, while Kraken only holds a 19.9% equity interest in Kraken Power at the end of Q3 2018, under IFRS 10 accounting rules relating to controlled entities, Kraken is required to consolidate Kraken Power financial results in Q3.

About Ocean Infinity

Ocean Infinity is a next generation offshore ocean survey and ocean exploration company using a fleet of autonomous underwater vehicles. Ocean Infinity provides a comprehensive seabed exploration system that is highly efficient and permits multi-tasking. Their comprehensive range of on-board systems and equipment permit continuous operation through to project completion, which gives them the capability to inspect, repair or recover discoveries made during a survey, eliminating the need for a second vessel. Their approach dramatically increases productivity and reduces downtime – saving clients time and money with their 'one stop shop' multi-purpose vessel.

About Kraken Robotics Inc.

Kraken Robotics Inc. (TSX.V:PNG) (OTCQB: KRKNF) is a marine technology company 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; Toronto, Ontario; Bremen, Germany; and Fairfax, Virginia. For more information, please visit www.krakenrobotics.com, www.krakenrobotik.de, www.krakenpower.de. Find us on social media on Twitter (@krakenrobotics), Facebook (@krakenroboticsinc) and LinkedIn.

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

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