



Kraken and ThayerMahan Successfully Showcase SeaScout® during U.S. Navy Exercise

SeaScout® demonstrated an impressive price/performance advantage during the U.S. Navy's Advanced Naval Technology Exercise 2018

ST. JOHN'S, Newfoundland and GROTON, Conn., Sept. 25, 2018 -- Kraken Robotics Inc. (TSX-V: PNG) (OTCQB: KRKNF) ("Kraken" or the "Company"), is pleased to announce that its wholly owned subsidiary, Kraken Robotic Systems Inc., in cooperation with ThayerMahan Inc., successfully demonstrated its SeaScout® Expeditionary Seabed Mapping and Intelligence System during the U.S. Navy's Advanced Naval Technology Exercise (ANTX) held last month in Newport, Rhode Island. This was the first at-sea test and evaluation carried out since both companies signed a strategic alliance agreement in February 2018.

U.S. Navy Vice Admiral Michael Connor (retired), ThayerMahan's President and CEO, said, "It's our fundamental mission to integrate and deploy the latest sensors, robotics and machine learning technology as affordable and innovative solutions to the United States and allied navies. I'm very pleased that during ANTX ThayerMahan and Kraken demonstrated superior resolution and range relative to competing systems costing many times more; live streaming of target detection results to remote maritime operations centers at sea and ashore; excellent area coverage rates, real-time performance and ease of operation for the sailor. There is no doubt in my mind that SeaScout offers a compelling price and performance advantage to competitive systems."

"ANTX 2018 was a great example of how our strategic alliance with ThayerMahan enables us to increase exposure and awareness within the U.S. Navy and expand our products into potential new revenue opportunities," said Karl Kenny, Kraken's President and CEO. "Employment of manned/unmanned teams and technologies will transform modern naval warfare, by leveraging sensor and robotics technologies to provide significant force multiplier advantages for the warfighter."

SeaScout® Expeditionary Seabed Mapping and Intelligence System

During the ANTX 2018 exercise, ThayerMahan and Kraken personnel successfully and repeatedly deployed and demonstrated SeaScout® – an expeditionary system for seabed mapping and intelligence. The SeaScout® system incorporates several industry-leading modules:

- KATFISH™, an actively stabilized towfish with Synthetic Aperture Sonar providing wide area seafloor coverage, superior pixel resolution for target detection and real-time full resolution SAS processing to enable in-stride automatic target detection and classification.
- TENTACLE®, an intelligent all-electric winch that hosts sophisticated algorithms for dynamic manual, semi-autonomous or fully autonomous control. The integrated motion reference unit tracks the motion of the host vessel, and the onboard software models and predicts the sea state. The winch can be deployed stand-alone or integrated into a completely Autonomous Launch & Recovery System (ALARS) for both manned and unmanned surface vessels. The complete system fits inside a 20' ISO shipping container and can be rapidly integrated and deployed on vessels of opportunity.
- Real time sea-floor imagery transmission using secure, reliable (zero-error), data compressed, fast content delivery to cloud-based storage location to/from fixed sites and to/from mobile platforms.
- Cloud based data analytics, using machine learning for automated change detection of targets by comparing seabed targets against previously surveyed bottom mapping baseline information.

A photo accompanying this announcement is available at <http://www.globenewswire.com/NewsRoom/AttachmentNg/e9a28418-f8e4-493a-9c71-2496224f687f>

Growing Trend of Underwater Drone Development

There is a growing international trend of defense dollars being spent on drone development. In its fiscal year 2019 budget, the U.S. Department of Defense requested US\$9.6 billion for unmanned technology and related systems — a 28 percent increase from the previous year, according to a report released June 25 by the Association for Unmanned Vehicle Systems International.

"Unmanned systems and robotics are key technology areas that enable the United States to counter the range of evolving threats posed on the modern battlefield," AUVSI president and CEO Brian Wynne said. The Navy has led all service branches in dollars put toward drones for at least the past three years, according to AUVSI. More than half of all drone projects for the land, air and sea are under the Navy's purview.

While air-based drones make up most unmanned technology projects across the services with about US\$7 billion earmarked

for 2019, maritime drones are increasing in interest. About US\$1.3 billion of drone-funding requests support maritime drones, according to the AUVSI report. The MK 18 Unmanned Undersea Vehicle was a highlight of the 2019 budget request, with the Pentagon asking for US\$75 million for the underwater drone mainly used for mine countermeasure operations, according to the AUVSI report. Other purposes for underwater drones used by the Navy include data collection and surveillance.

Earlier this year, the U.S. Navy released a summary of its “Strategic Roadmap for Unmanned Systems,” stating the integration of drones in the service “offers many advantages such as reducing personnel and manpower, risk to personnel and operating costs.”

About Advanced Naval Technology Exercise 2018

The Advanced Naval Technology Exercise (ANTX 2018) is an annual, invitation-only event that was created by the U.S. Navy to see the future of naval technology in action today. Warfare centers, other Navy commands, universities and industry leaders are invited to showcase their technologies and capabilities during this event. The event provides an opportunity to test new unmanned systems and related technologies, while gaining access to US Navy test ranges, facilities and people.

About ThayerMahan Inc.

ThayerMahan Inc. was founded by retired U.S. Navy Vice Admiral Mike Connor, who also serves on Kraken’s Board of Directors. During a 35-year career, Vice Admiral Connor commanded at the ship, squadron and task force levels. He served as Commander of the entire U.S. submarine force from September 2012 until September 2015. Vice Admiral Connor led the US Navy’s submarine force into robotic undersea systems, achieving key milestones including the first operational deployment and recovery of an unmanned underwater vehicle from a submarine. With over 70 years of experience in maritime security issues, the ThayerMahan founders recognize the need for dramatic change in the way the physical and environmental security of the world’s oceans are monitored.

About Kraken Robotics Inc.

Kraken Robotics Inc. (TSX.V:PNG) (OTCQB: KRKNF) is a marine technology company 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 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.

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