



Kraken Acquires Remaining 25% of Kraken Power

Kraken Power Adds Industry Leading Battery and Thruster Technology

ST. JOHN'S, Newfoundland, Dec. 17, 2019 -- Kraken Robotics Inc. (TSX-V: PNG) (OTCQB: KRKNF) ("Kraken" or the "Company"), is pleased to announce that it has reached an agreement with the minority shareholder of Kraken Power GmbH ("Kraken Power"), to acquire the remaining 25% of Kraken Power not currently owned by Kraken (the "Transaction"). Consideration for the Transaction will be €350,000, consisting of €250,000 in cash and the issuance of 236,258 common shares of the Company at a deemed price of \$0.62 per share, representing the Canadian dollar equivalent of €100,000 (the "Consideration Shares"). The issuance of the Consideration Shares requires the approval of the TSX Venture Exchange, and such Consideration Shares are subject to a four-month statutory hold period commencing on the date of issuance. The Transaction is expected to close by December 31, 2019. Completion of the Transaction will trigger a change of control payment to an arm's length third-party lender to Kraken Power in an amount equal to €120,000 payable in two tranches of €60,000 over calendar 2020 for which Kraken will be responsible.

Karl Kenny, Kraken's President and CEO, said: "We are extremely pleased to have Kraken Power as a wholly owned subsidiary. The team at Kraken Power have worked very well with Kraken's Canadian team and together we have made significant strides in scaling Kraken Power since we made our original investment in April 2017. Recent testing milestones of greater than 100 hours endurance for Kraken Power's pressure tolerant batteries without recharging on Ocean Infinity's Hugin AUVs was an industry leading result and a major achievement for Ocean Infinity and the Kraken team. On the thruster front, we are excited to grow Kraken's thruster product sales in the coming years, with a recent partnership with Norway's MPI initially focused on robotic net cleaners for the aquaculture industry. We look forward to continued growth in Kraken Power's pressure tolerant batteries and thruster products with a variety of commercial and defense market customers."

ABOUT SUBSEA BATTERIES & ENERGY STORAGE

The subsea battery and energy storage market will see continued growth from a variety of existing and emerging applications including manned and unmanned underwater vehicles and remotely operated vehicles, deep sea oil and gas infrastructure, seabed energy storage systems, and seabed recharging stations. Customers for these applications range from military and defense companies to commercial operators such as oil and gas and offshore renewable energy companies, as well as governments and industry doing scientific research.

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 & Rostock, Germany; and Boston, Massachusetts. Kraken is ranked as a Top 100 marine technology company by Marine Technology Reporter. 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, disclosure about the terms of the Transaction and about Kraken Power. The Company made certain material assumptions, including but not limited to, ability to obtain all requisite approvals to complete the Transaction, general 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, including the completion of the Transaction, 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 TSX Venture Exchange has neither approved nor disapproved the contents of this press release.

For further information, please contact:

Joe MacKay, Chief Financial Officer
(416) 303-0605
jmackay@krakenrobotics.com

Greg Reid, Chief Operating Officer
(416) 818-9822
greid@krakenrobotics.com

Sean Peasgood, Investor Relations
(647) 955-1274
sean@sophiccapital.com

Shauna Cotie, Marketing Manager
(709) 757-5757 x 241
scotie@krakenrobotics.com