



Kraken to Establish Robotics-as-a-Service Joint Venture

Venture to Conduct Military and Commercial Underwater Infrastructure Surveillance

ST. JOHN'S, Newfoundland, Sept. 24, 2019 -- 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., intends to establish a joint venture with a company owned by Kraken Board member, Larry Puddister, for the provision of subsea services. The joint venture will be called Ocean Discovery Inc. ("Ocean Discovery") and will operate in Atlantic Canada. It is expected that a definitive agreement covering the establishment and operation of the joint venture will be finalized in Q4 2019. The establishment of the joint venture and the terms thereof remain subject to negotiation of the definitive agreements and receipt of all required approvals including, without limitation, any approvals that may be required as a result of the joint venture being a related party transaction.

As part of the planned venture, Mr. Puddister's company recently purchased the *Murray* - a former Royal Canadian Mounted Police marine patrol vessel. The vessel has since been renamed Research Vessel *Ocean Seeker*. Under the joint venture, it is anticipated that the vessel will be retrofitted and equipped with a wide variety of sensors and systems for ultra-high definition imaging, mapping, and inspection of the seabed and other subsea assets. It is expected that this equipment will include:

- Kraken SeaScout™ system comprised of the KATFISH™ high speed Synthetic Aperture Sonar towfish, TENTACLE™ winch and ALARS (autonomous launch and recovery system);
- Kraken SeaVision® 3D underwater laser scanner mounted on a remotely operated vehicle;
- Applied Acoustics Nexus 2 and iXBlue GAPS USBL tracking systems;
- Reson SeaBat® T20 high resolution multibeam survey sonar;
- Sonardyne Sprint-NAV 500 Inertial Navigation System; and
- Knuckle boom crane and moonpool for rapid deployment of third party sensors.

Larry Puddister said, "As one of the original investors and Board members of Kraken I am very pleased and proud to deepen our relationship via the Ocean Discovery joint venture. Less than one percent of the world's oceans have been mapped with high resolution data – and such data is crucial for further exploration and discovery of our oceans. Data is the fuel that powers machine learning and artificial intelligence. The cost-effective acquisition of this data creates a significant opportunity for the combination of *Ocean Seeker* and Kraken's sensor and robotics technologies. I am very excited about the potential of this joint venture."

Karl Kenny, Kraken's President and CEO said, "Larry Puddister is an accomplished and award-winning businessman and a trusted friend and adviser. We look forward to finalizing the Ocean Discovery joint venture. This will represent Kraken's further development in not only being a supplier of subsea sensors and systems, but also becoming a provider of cutting-edge services and solutions. By building our own technology and executing services, we have a tightly integrated feedback loop that will accelerate the rollout of Robotics as a Service and Data Analytics as a Service - both recurring revenue businesses. In addition, on the product development front, this joint venture will allow for greater flexibility to test equipment and carry out sea trials. We expect that this will lower product development costs, accelerate time to market and help with a variety of customer and program pursuits."

It is expected that Leeway Marine Inc. of Dartmouth, Nova Scotia will be contracted to manage *Ocean Seeker*. Jamie Sangster, President and CEO of Leeway Marine said, "We are delighted to work with Ocean Discovery in managing the *Ocean Seeker*. We've worked with Kraken for over two years and I have personally watched as Kraken's SeaScout™ system was being towed and capturing real-time, high resolution imagery of a never-before-discovered wreck in the North Atlantic. I have watched the faces of experienced hydrographers who couldn't believe the level of automation associated with the data processing and the short timeline in which the finished product could be delivered to clients. All efforts to improve efficiency on the ocean are important. Reducing people at sea, using smaller, more efficient platforms with longer endurance, better coverage rates and higher resolution are all value propositions that matter. I expect that the combination of *Seeker's* speed capability with ultra high-resolution sensors will prove to be a force multiplier and gamechanger in the seabed survey industry."

ABOUT OCEAN SEEKER

Upon finalization of the joint venture and completion of a retrofit, *Ocean Seeker* will be a high-performance, affordable solution intended for military and commercial operators needing to maintain surveillance of their underwater installations such as offshore platforms, oil & gas installations, wind farms and marine turbines. Kraken intends to engage and deploy *Ocean Seeker* in conjunction with Kraken's recently announced OceanVision™ project, a three-year, \$20 million initiative focused on the development of new marine technologies and products. OceanVision™ will enable development of a recurring revenue

business model from underwater data acquisition and analytics. In addition, when not being deployed as part of the OceanVision™ project, Ocean Seeker will be available for use by the ocean technology and marine survey community in Atlantic Canada.

Ocean Seeker is currently alongside at the COVE facility in Dartmouth, Nova Scotia and will be retrofitted over the coming weeks. Subject to finalizing the definitive agreement, it's expected that the vessel will spend the next eight months at the COVE before transiting to its home port in St. John's, Newfoundland. Kraken will be attending the Canadian Defence Security and Aerospace Exhibition Atlantic (DEFSEC) trade show in Halifax from October 1-3, 2019, and viewings of Ocean Seeker can be undertaken during that time.

The vessel will be equipped with a fully automatic system to launch and recover Kraken's towed Synthetic Aperture Sonar. This system has already been qualified for operation in rough sea states. A command-and-control system is used for mission planning and to process the data in real time.

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, underwater robotic systems and data analytics as a service. The company is headquartered in St. John's, Newfoundland with offices in Dartmouth, Nova Scotia; Toronto, Ontario; Bremen and 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, 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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