



Kraken Awarded \$2 Million Deep Sea Battery Contract

ST. JOHN'S, Newfoundland and Labrador, Aug. 29, 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., has been awarded a contract for approximately \$2.0 million by a military customer to provide a high capacity battery solution for an underwater robotics application. This is the same customer that placed a [\\$0.6 million order](#) in April 2019. For confidentiality reasons, the customer name will not be disclosed. Product delivery for this follow on order is anticipated to start in late Q4, 2019 with final deliveries in Q1, 2020.

CEO Comments

Karl Kenny, Kraken's President and CEO, said, "We have seen military and commercial customers adopt our subsea power solutions across a variety of deep-sea applications, and we are pleased that this large military customer has again chosen Kraken's SeaPower™ batteries. Kraken Power offers a range of batteries, thrusters and drives addressing the needs of both military and commercial customers. After a significant expansion in headcount, equipment and manufacturing capacity, Kraken Power has worked diligently on improving production efficiencies. We expect to see a significant increase in product deliveries in the coming quarters."

About Kraken's SeaPower™ Batteries

Kraken's batteries are pressure-tolerant systems in which the individual components are embedded in flexible polymers. The assemblies are cast with a proprietary vacuum technology enabling the components to work in a deep-sea environment. At depth, undersea systems are exposed to extremely high pressures. Conventional systems with components housed in pressure chambers are typically large, heavy and expensive for any depths past a few hundred metres due to the requirements of strength, seal tightness and corrosion resistance.

Kraken Power GmbH has developed an alternative to traditional pressure housings with its own pressure-tolerant technology. Pressure-tolerant systems work in a manner similar to pressure-compensated systems in which the components are exposed to hydrostatic pressure. However, the compensation liquid is replaced by incompressible elastomers such as silicone or polyurethane. As a result, the volume compensation requirement by liquid is no longer necessary, i.e. an oil compensator is no longer required. A proprietary vacuum technique enables Kraken's SeaPower™ batteries to be used over 6,000 metres deep.

Pressure-tolerant systems have a lower specific weight and a smaller volume in comparison to pressure or oil-compensated systems. They are corrosion resistant, require less maintenance and are thus cheaper to maintain. Since Kraken's SeaPower™ batteries do not contain any oil compensators that can leak into the ocean environment, they are considered very eco-friendly.

The electronics are protected from the harmful influence of seawater in a durable silicone encapsulation that is flexible but stable under pressure at the same time. The encapsulation and rugged housing enables optimal cooling of the cells and additional protection from any mechanical influence. Thanks to the consistent pressure-tolerant design, the battery does not require any pressure chamber. This saves weight and reduces cost. Each battery block has its own Battery Management System that constantly monitors status of the battery and the individual cells.

Kraken Power GmbH has been working with this technology for many years. Through its acquired know-how and expertise, it can offer a wide range of pressure-tolerant solutions for underwater vehicles and other mission critical deep-sea applications.

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 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.

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 OTCQB 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

Glenda Leyte, Marketing Manager
(709) 757-5757 extension 288
gleyte@krakenrobotics.com

A photo accompanying this announcement is available at
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