



Kraken Awarded \$0.9 Million U.S. Navy Contract

U.S. Navy to Evaluate Kraken Sensors for Man-Portable AUVs

ST. JOHN'S, Newfoundland, June 17, 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 selected by the US Office of the Secretary of Defense, Comparative Test Office, to participate in a Foreign Comparative Testing (FCT) program in support of a US Navy Program of Record managed by the Naval Sea Systems Command, EOD Program Office. The FCT is designed to test selected foreign technologies as evaluated by US military operators, with a view to future procurement. The contract value is \$0.9 million.

Under this contract, Kraken will integrate its AquaPix® MINSAS sensor on a man-portable Autonomous Underwater Vehicle (AUV) owned by the U.S. Navy. Man-portable AUVs make up the largest deployment of all AUV classes world-wide. The U.S. Navy and its allies continue to invest in man-portable AUVs, which today utilize a range of sonar technologies. Kraken's AquaPix® MINSAS synthetic aperture sonar sensor is currently offered in the MINSAS 60, 120, 180, and 240 configurations and has been traditionally integrated to medium- and large-size AUVs and towfish. As part of this FCT contract, Kraken will optimize the MINSAS 60 sensor making it better suited for small, man-portable AUVs while offering a significant increase in capability and performance for man-portable platforms.

CEO Comments

Karl Kenny, Kraken's President and CEO said, "We are very pleased to be awarded this FCT contract as this represents a truly significant opportunity for Kraken. The competition for FCT awards is fierce and only a few projects each year that meet the strict criteria are selected. An acceptable FCT project must have a high technology readiness level, which means that research and testing must have already been completed, and the capability has already been proven in a setting similar to what will be encountered in real-world operations. We believe this initial contract will further prove our MINSAS 60 is a reasonably priced, high-performance sonar upgrade path for existing man-portable AUVs as well as new builds."

About Foreign Comparative Test Program

The Foreign Comparative Testing (FCT) program is to test items and technologies of United States foreign allies that have a high Technology Readiness Level (TRL) in order to satisfy valid defense requirements quickly and economically. FCT continues to be a uniquely successful acquisition tool from a U.S. government-to-foreign industry standpoint. Since 1980, the FCT program has helped to foster the two-way street in defense spending between the U.S. and its allies with more than 500 FCT projects from over 25 countries having been completed resulting in procurement of more than \$5 billion in foreign items. The program has reaped substantial savings by avoiding research and development costs, lowering procurement costs, reducing risk for major acquisition programs and accelerating the fielding of equipment critical to the readiness and safety of U.S. operating forces. Since the FCT program focuses on mature technologies, each project has accelerated acquisition. The FCT program enables deployment of the world's best technology into the field quickly, normally in less than 18 months.

The FCT program has served as a catalyst for industry teaming arrangements, which have been productive for both U.S. and foreign industries in an increasingly competitive global market, helping to build a robust U.S. defense industrial base. Foreign items are nominated by a sponsoring organization within the Department of Defense for testing in order to determine whether the items satisfy U.S. military requirements or address mission area shortcomings.

The FCT program's objectives are to improve the U.S. warfighter's capabilities and reduce expenditures through:

- Rapidly fielding of quality military equipment
- Eliminating unnecessary duplication of research, development, test and evaluation
- Reducing life cycle or procurement costs
- Enhancing standardization and interoperability
- Promoting competition by qualifying alternative sources
- Improving the U.S. military industrial base

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 & 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.

This news release contains forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does

not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Kraken or its subsidiaries and customers to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained in this news release. Examples of such statements include statements with respect to the Company's anticipated revenue growth; completion of industry contracts between the Company and its clients, and between its clients and other industry partners; anticipated impact of industry upgrade cycles in naval mine warfare and the anticipated and timely adoption of underwater robotics; the Company's ability to capitalize on existing and future bids for services, including the Ocean Supercluster; among others. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information including such risks contained in the Company's management's discussion and analysis for the fiscal year ended December 31, 2018 and filed with Canadian securities regulators available on the Company's issuer profile on SEDAR at www.sedar.com. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information and no assurance can be given that such events will occur in the disclosed time frames or at all.

Certain forward-looking information in this press release constitutes future-oriented financial information or financial outlooks, within the meaning of securities laws. Such information is being provided to demonstrate the potential of the Company and readers are cautioned that this information may not be appropriate for any other purpose. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are based on assumptions and subject to risks, uncertainties and other factors. Actual results may differ materially from what the Company currently expects. Readers are cautioned that any such future oriented financial information contained herein should not be used for purposes other than those for which it is disclosed herein. The Company and its management believe that that the prospective financial information as to the Company's anticipated 2019 financial results has been prepared on a reasonable basis, reflecting management's best estimates and judgments. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results.

The forward-looking information included in this news release are made as of the date of this news release and the Company does not undertake an obligation to publicly update such forward-looking information to reflect new information, subsequent events or otherwise unless required by applicable securities legislation. The reader should not place undue importance on forward-looking information and should not rely upon this information as of any other date. All forward-looking information contained in this press release is expressly qualified in its entirety 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:

Greg Reid, Chief Financial 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