



Kontrol Energy Corp. enters into a Letter of Intent for \$4 Million of Debt Acquisition Financing and completes third tranche closing of Private Placement

TORONTO, December 23, 2016 /CNW/ – Kontrol Energy Corp. (CSE:KNR) (the "Company") announces that it has entered into a Letter of Intent (LOI) for \$4 Million of debt acquisition financing (the "Financing"). The LOI is conditional on the completion of a securitized loan agreement and the previously announced acquisition from the press release dated September 16, 2016 (the "Acquisition"). The Financing and the Acquisition closing date has been established as January 31, 2016. The terms of the Financing are subject to a non-disclosure agreement.

The Company also announces the completion of a third closing under its previously announced private placement offering (the "Offering") of units (the "Units"). Gross proceeds from the third closing were \$359,000. Each Unit was priced at \$1,000 and consists of a \$1,000 principal amount 8% unsecured non-convertible debenture (each, a "Debenture") and 100 common shares (each, a "Common Share") of the Company (each Common Share having a deemed price of \$0.42). Total gross proceeds to date from the Offering are \$851,000. The Offering remains open to subsequent closings as proceeds are raised.

The Debentures will bear interest at a rate of 8% per annum, payable quarterly in arrears and will mature on October 31, 2019. The Debentures are non-convertible and non-redeemable. The payment of the principal of, and interest on, the Debentures will be subordinated in right of payment to senior indebtedness. The Debentures partially comprising the Units are not listed on any stock exchange or market. The Common Shares of the Company are listed on the CSE and trade under the symbol "KNR". The Debentures and Common Shares comprising the Units will be subject to a resale restriction for four months and one day from their date of issuance.

The Company may retain one or more registered securities dealers to effect sales of the Units or to find purchasers of the Units. The Company may pay a selling commission or finder's fee to such securities dealers or finders not exceeding 9% of the gross proceeds from the sale of the Units.

Additionally, the Company has entered into debt settlement agreements (the "Settlement Agreements") with two arm's length creditors of the Company. Pursuant to the Settlement Agreements, the Company will issue 100,000 common shares of the Company at a deemed price of \$0.65 per common share in settlement of \$65,000 owing to said creditors.

All securities issuances contemplated herein shall be subject to any statutory or regulatory requirements with respect to hold period and compliance with all rules and policies of the Canadian Securities Exchange.

About Kontrol Energy Corp.

Kontrol Energy Corp. (CSE:KNR) is a leader in energy efficiency solutions and technology. Through a disciplined mergers and acquisition strategy, combined with organic growth, Kontrol Energy Corp. provides market-based energy solutions to our customers designed to reduce their overall cost of energy while providing a corresponding reduction in Green House Gas (GHG) emissions.

Through our Energy Savings Simplified Program[®] customers can gain immediate financial savings and the ability to monitor and modify energy consumption and demand in real-time through cloud based IoT solutions. To learn more about Kontrol Energy Corp., please visit the Company's website at www.kontrolenergy.com.

Additional information about Kontrol Energy Corp. can be found on its website at www.kontrolenergy.com and by reviewing its profile on SEDAR at www.sedar.com

Neither IIROC nor any stock exchange or other securities regulatory authority accepts responsibility for the adequacy or accuracy of this release.

Caution Regarding Forward Looking Statements:

Certain information included in this press release, including information relating to future closings of the Offering, payments of interest, commissions or finders fees, minimization of common equity dilution, possible future acquisitions and/or investments in operating businesses and/or technologies, accelerated growth, the provision of solutions to customers and Green House Gas emissions reductions, proposed financial savings and sustainable energy benefits and energy monitoring. growth strategy and financial or operating performance and other statements that express the expectations of management or estimates of future performance constitute "forward-

looking statements". Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief are based on assumptions made in good faith and believed to have a reasonable basis. Such assumptions include, without limitation, that the Offering will be successful, that suitable businesses and technologies for acquisition and/or investment will be available, that such acquisitions and or investment transactions will be concluded, that sufficient capital will be available to the Company, that technology will be as effective as anticipated, that organic growth will occur, and others. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, lack of further subscriptions for the Offering, lack of acquisition and investment opportunities or that such opportunities may not be concluded on reasonable terms, or at all, that sufficient capital and financing cannot be obtained on reasonable terms, or at all, that technologies will not prove as effective as expected that customers and potential customers will not be as accepting of the Company's product and service offering as expected, and government and regulatory factors impacting the energy conservation industry. Accordingly, undue reliance should not be placed on forward-looking statements and the forward-looking statements contained in this press release are expressly qualified in their entirety by this cautionary statement. The forward-looking statements contained herein are made as at the date hereof and the Company does not undertake any obligation to update publicly or revise any such forward-looking statements or any forward-looking statements contained in any other documents whether as a result of new information, future events or otherwise, except as required under applicable securities law.

SOURCE Kontrol Energy Corp.

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