



Kontrol Energy Corp. completes private placement and fourth tranche closing of unit private placement offering

TORONTO, February 6, 2017 /CNW/ - **Kontrol Energy Corp. (CSE:KNR)** (the "**Company**") today announced the completion of its previously announced non-brokered private placement of units (the "**Units**") for gross proceeds of \$570,300 (the "**Offering**"). Pursuant to the Offering, the Company issued 950,500 Units at a price of \$0.60 per Unit. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant will be exercisable to acquire one common share of the Company at a price of \$0.80 for a period of one (1) year, subject to accelerated expiry should the common shares trade on the Canadian Securities Exchange (the "**CSE**") at \$1.00 or higher for ten (10) consecutive trading days.

Two senior officers and one director of the Company (the "**Interested Persons**") subscribed for an aggregate of 190,500 Units under the Offering for aggregate cash consideration of \$114,300. The participation of these parties in the offering constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company is relying on the exemptions from the formal valuation and minority approval requirements contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 as neither the fair market value of securities being issued to the Interested Persons nor the consideration being paid by the Interested Persons will exceed 25% of the Company's market capitalization. The Interested Persons have no knowledge of any material information concerning the Company or its securities that has not generally been disclosed. Following the Offering, the combined direct and indirect voting interest of the Interested Persons is 62.05%.

Proceeds from the Offering will be used to complete a previously announced acquisition and for general working capital purposes. All securities purchased under this Offering will be subject to a four month and one-day hold period. Finders' fees may be payable on a portion of the Offering, in accordance with the policies of the CSE.

Closing of Debenture Offering

The Company also announces the completion of a fourth closing under its previously announced private placement offering (the "**Debenture Offering**") of units (the "**Debenture Units**") for gross proceeds of \$219,000. Each Debenture 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 \$0.57). Total gross proceeds to date from the Debenture Offering are \$1,070,000. The Debenture 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 Debenture Units are not listed on any stock exchange or market. The Debentures and Common Shares comprising the Debenture Units will be subject to a resale restriction of four months and one day from their date of issuance.

The Company has paid a selling commission or finder's fee to certain securities dealers or finders not exceeding 9% of the gross proceeds from the sale of the Debenture Units.

Debt Settlement

Additionally, the Company has entered into a debt settlement agreement (the "**Settlement Agreement**") with one related subsidiary of the Company. Pursuant to the Settlement Agreement, the Company will issue 83,334 common shares of the Company in settlement of \$50,000 owing to said party.

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 CSE.

On behalf of the Board of Directors

KONTROL ENERGY CORP.

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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. delivers 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.

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.