



Kontrol Energy enters into Letter of Intent to Acquire Energy Engineering Company

TORONTO, February 21, 2017 /CNW/ - **Kontrol Energy Corp. (CSE:KNR)** (the "**Company**") announces that it has entered into a Letter of Intent to acquire (the "**Proposed Acquisition**") an Energy Engineering Company (the "**Acquisition Target**"). The Acquisition Target has been operating in Canada for more than 20 years and provides engineering services to industrial, municipal and commercial building owners across Canada. The Acquisition Target provides its customers with detailed energy efficiency analysis, energy audits, management of facility system solutions, electrical and mechanical design and energy conservation studies. The Acquisition Target will remain undisclosed as the Letter of Intent is conditional upon the execution of a definitive share purchase agreement.

Based on the unaudited financial statements for 2016 the Acquisition Target had generated approximately \$2.0 million of revenue and approximately \$425,000 of Net Earnings before tax (EBT). If the Proposed Acquisition is completed, it will be based on a combination of Common Shares of the Company and cash. The Proposed Acquisition, if completed, will be accretive to revenue and earnings immediately upon closing.

"We look forward to completing this Acquisition over the next 90 days and adding further growth to our revenue and earnings. This Acquisition Target provides a strategic fit to enhance our capacity to deliver turn-key energy efficiency solutions for our customers while providing a corresponding reduction in Greenhouse Gas Emissions (GHG)," says Paul Ghezzi, CEO of the Company. "We continue to execute on our business plans to deliver value to our shareholders and investors in a rapidly growing sector of the North American economy."

Kontrol Energy seeks to finance the Proposed Acquisition through its recently announced Debenture and Common Share Unit Offering and through the issuance of common shares of the Company. The anticipated closing date for the Proposed Acquisition is the second quarter of 2017.

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.

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 payments of holdback amounts, possible future acquisitions, anticipated consolidated revenue and anticipated annual EBITDA; the provision of solutions to customers to reduce overall energy costs and greenhouse gas emissions reductions, carbon reduction and monetization programs, growth strategy, the replacement of the secured bridge loan with long-term senior secured debt financing and other statements that express the expectations of management or estimates of future performance constitute "forward-looking statements". The forward-looking statements in this press release are presented for the purpose of providing information about management's current expectations and plans and such information may not be appropriate for other purposes. The 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 ORTECH will be successfully integrated into the Company and that its revenues will be consistent with the Company's expectations, 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, that the Company will succeed in obtaining long-term senior secured debt financing, 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 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 (including ORTECH'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.

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