FORM 51-102F3 - MATERIAL CHANGE REPORT

1. **Name and Address of Company**

   Kontrol Energy Corp.
   5045 Orbitor Drive
   Building 9, Suite 401
   Mississauga, ON L4W 4Y4

2. **Date of Material Change**

   December 1, 2016.

3. **News Release**

   The news release attached hereto as Schedule A announcing the material change described herein was released through Business Wire at Toronto, Ontario on December 1, 2016.

4. **Summary of Material Change**

   The material change is described in the Company's news release attached hereto as Schedule "A", which news release is incorporated herein.

5. **Full Description of Material Change**

   5.1 Full Description of Material Change

   No information other than that provided in Item 4 above is presently available.

   5.2 Disclosure for Restructuring Transactions

   Not Applicable.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

   Not Applicable.

7. **Omitted Information**

   Not Applicable.

8. **Executive Officer**

   The following is the name and telephone number of an executive officer of the Company who is knowledgeable about the material change and this report.

Paul Ghezzi,
Chief Executive Officer
905.766.0400,
paul@kontrolenergy.com

9. **Date of Report**

December 7, 2016.

Schedule "A"

Kontrol Energy Agrees to Acquire Log-One Ltd.'s Energy Management System

TORONTO, Dec. 1, 2016 /CNW/ – Kontrol Energy Corp. (CSE:KNR) (the "Company") announces that it has agreed to acquire Log-One Ltd.'s Energy Management System ("EMS"), an intelligent, occupancy-based heating and air-conditioning control product, including the hardware, software, intellectual property and patents (combined to be referred to as the "EMS Technology") with closing of the transaction in escrow expected to occur today. The aggregate purchase price for the EMS Technology is $800,000, of which the Company will pay $200,000 in cash on closing, with an additional $50,000 in cash to be paid on January 31, 2017, subject to any reduction for holdback obligations, and $550,000 by way of issuing 1 million common shares of the Company at a deemed price of $0.55 per share. Further, the Company will enter a 10-year royalty agreement with Log-One Ltd. pursuant to which the Company will pay Log-One Ltd. a graduated royalty of approximately 5% of manufactured cost in respect of sales of EMS units and a 6-month consulting agreement with the principals of Log-One Ltd.

"We are excited about this acquisition and to take the existing robust energy management hardware, software and IP and add Internet of Things (IOT) capability with an integrated mobile application platform," says Paul Ghezzi, CEO of the Company. "Delivering energy savings and making these savings visible in real time brings together all the important stakeholders in the electricity value chain including building owners, tenants, utilities and various levels of Government. As electricity prices continue to escalate across North America, we are experiencing strong demand for our solutions and growing portfolio of technologies."

Following the acquisition, the Log-One EMS Technology will be rebranded as the Kontrol EMS Technology. By adding Internet of Things (IOT) and mobile application capability the Company intends to create a recurring revenue platform through a SaaS model. The Kontrol EMS Technology will provide for pre-programmed heating and cooling automation, smart learning algorithms and more environmental control while delivering best-in-class energy savings.

"The energy retrofit and electricity cost reduction market across North America is a $100 Billion annual market opportunity for the energy efficiency solutions and technology industry," continues Paul Ghezzi. "Our plans for 2017 include expansion into regions of the United States market where electricity costs are the highest. Our expansion is expected to come primarily through the demand of our existing customer base which includes some of the largest REITS in Canada."

The company anticipates that the Kontrol EMS Technology will add $4 Million of revenue in 2017 with an anticipated 50% gross margin. Along with the most recently announced potential acquisition and a growing number of potential acquisitions in various stages of due diligence, the Company continues to execute on its business plans to deliver robust accretive revenue and earnings growth with minimum dilution to the existing common share structure.

Schedule "A"

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 payments of holdback amounts, royalty payments, minimization of common equity dilution, possible future acquisitions, expansion into markets in the United States, anticipated revenue increases and anticipated gross margins; accretive revenue, demand from existing customers, the provision of solutions to customers and greenhouse 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". 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 may include financial and other projections, as well as statements regarding our future plans, objectives, or economic performance, or the assumptions underlying any of the foregoing, and other statements that are not recitations of historical fact. We have assumed no material unannounced acquisitions or divestitures. 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 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.

For further information: Paul Ghezzi, CEO, paul@kontrolenergy.com; Kontrol Energy Corp., 5045 Orbitor Drive, Bldg. 9, Suite 401, Mississauga, ON L4W 4Y4, Tel: 905.766.0400, Toll free: 1.844.866.8123