

# **Chapman Petroleum Engineering Ltd.**

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March 20, 2012

**Loon Energy Corporation**  
1170, 700 – 4<sup>th</sup> Avenue SW  
Calgary, AB  
T2P 3J4

**Attention: Board of Directors**

**Re: Report on Reserves Data  
by Chapman Petroleum Engineering Ltd. ("Chapman")  
Qualified Reserves Evaluators**

To the board of directors of Loon Energy Corporation (the "Company"):

1. We have evaluated the Company's reserves data as at December 31, 2011. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2011, estimated using forecast prices and costs
2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount of 10 percent, included in the reserves data of the Company evaluated

by us for the year ended December 31, 2011, and identifies the respective portions thereof that we have evaluated and reported on to the Company's management and board of directors:

Independent Qualified Reserves Evaluator	Description & Preparation Date of Evaluation Report	Location of Reserves	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate) - M\$			
			Audited	Evaluated	Reviewed	Total
Chapman	Reserve Report March 19, 2012	Colombia	-	1,298	-	1,298
Totals			-	1,298	-	1,298

5. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
6. We have no responsibility to update our reports referred to in paragraph 4 for events and circumstances occurring after their respective preparation dates.
7. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

Executed as to our report referred to above:

[Original Signed By:]

Chapman, Calgary, Alberta, Canada, March 20, 2012.

C. W. Chapman  
C. W. Chapman, P. Eng.

cgm/wgw/5552