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**TSXV: LNE
NEWS RELEASE
PRIVATE PLACEMENT OF COMMON SHARES**

Calgary, Alberta: June 5, 2012 - Loon Energy Corporation ("Loon" or the "**Corporation**") is pleased to announce that it has closed its previously announced non-brokered private placement of 10 million common shares at an issue price of \$0.10 per common share for aggregate gross proceeds of \$1 million (the "**Private Placement**").

The net proceeds of the financing will be used to seek additional oil and gas opportunities and for general corporate purposes.

The Private Placement remains subject to receipt of final acceptance from the TSX Venture Exchange, which the Corporation expects to receive in due course.

The Corporation is relying on the exemptions found in section 5.5(c) and section 5.7(b) of *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions*, which respectively exempt the Corporation from obtaining a formal valuation or from obtaining minority shareholder approval in connection with the Private Placement.

The common shares issued are subject to a hold period of four months plus a day from the closing date, as required under applicable Canadian securities laws. The common shares issued have not and will not be registered under the United States Securities Act of 1933, as amended (the "**Act**") and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements of such Act. A cash commission of \$2,500 was paid in connection with the Private Placement.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) is responsible for the adequacy or accuracy of this press release.

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Cautionary Note Regarding Forward-Looking Statements

This news release may contain forward-looking statements relating to the activities of Loon, including its intention to seek additional oil and gas opportunities, which may not be historical facts. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements may involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These assumptions, risks and uncertainties include, among other things: the state of the economy in general and capital markets in particular, investor interest in the business and future prospects of Loon, the timely receipt of shareholder approvals and other required regulatory and exchange approvals, competition for, among other things, capital, acquisitions of reserves or undeveloped lands, skilled personnel, incorrect assessments of the value of acquisitions and exploration and development programs and the failure to realize the anticipated benefits of acquisitions. Readers are cautioned that the foregoing lists of factors are not exhaustive.

The forward-looking statements contained in this press release are made as of the date of this press release. Except as required by law, Loon disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities law. Additionally, Loon undertakes no obligation to comment on the expectations of, or statements made, by any third parties in respect of the matters discussed above.

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