

**FORM 51-102F3**  
**Material Change Report**

**Item 1      Name and Address of Company**

Loon Energy Corporation (“**Loon**” or the “**Issuer**”)  
Suite 1170, 700 – 4th Avenue S.W.  
Calgary, Alberta T2P 3J4

**Item 2      Date of Material Change**

June 5, 2012

**Item 3      News Release**

Loon issued a press release on June 5, 2012, which was disseminated through the facilities of Marketwire and subsequently filed on SEDAR.

**Item 4      Summary of Material Change**

On June 5, 2012, Loon completed its previously announced non-brokered private placement of an aggregate of 10 million common shares of Loon (“**Common Shares**”) at an issue price of \$0.10 per Common Share for aggregate gross proceeds of \$1 million.

**Item 5      Full Description of Material Change**

On June 5, 2012, Loon completed its previously announced non-brokered private placement of an aggregate of 10 million Common Shares of Loon at an issue price of \$0.10 per Common Share for aggregate gross proceeds of \$1 million.

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

The Common Shares 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 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.

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

Not applicable

**Item 7      Omitted Information**

Not applicable

**Item 8     Executive Officer**

The executive officer of Loon who is knowledgeable about this material change and this report is Norman Holton, President and Chief Executive Officer of the Issuer.

Phone: (403) 264-8877

**Item 9     Date of Report**

June 8, 2012

***Cautionary Note Regarding Forward-Looking Information***

*This material change report 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 material change report are made as of the date of this report. 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.*