LOON ENERGY CORPORATION
STATEMENT OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION
(Form 51-101F1)

Part 1 – Date of Statement

This statement of reserves data and other oil and gas information is dated February 14, 2014.

The effective date is December 31, 2013.

The preparation date is February 10, 2014.

Part 2 – Disclosure of Reserves Data

The following is a summary of the oil and natural gas reserves and the value of future net revenue of Loon Energy Corporation (the "Company") as evaluated by Chapman Petroleum Engineering Ltd. (“Chapman”) as at December 31, 2013, and dated February 10, 2014 (the "Chapman Report"). Chapman is an independent qualified reserves evaluator and auditor.

All evaluations of future revenue are after the deduction of future income tax expenses, unless otherwise noted in the tables, royalties, development costs, production costs and well abandonment costs but before consideration of indirect costs such as administrative, overhead and other miscellaneous expenses. The estimated future net revenue contained in the following tables does not necessarily represent the fair market value of the Company's reserves. There is no assurance that the forecast price and cost assumptions contained in the Chapman Report will be attained and variances could be material. Other assumptions and qualifications relating to costs and other matters are included in the Chapman Report. The recovery and reserves estimates on the Company's properties described herein are estimates only. The actual reserves on the Company's properties may be greater or less than those calculated.

All monetary values presented in this document are expressed in terms of US dollars.

SUMMARY OF OIL AND GAS RESERVES
BASED ON FORECAST PRICES AND COSTS
AS AT DECEMBER 31, 2013

	Company Reserves[(1)]							
	Light and Medium Oil		Heavy Oil		Natural Gas[(9)]		Natural Gas Liquids	
Reserves Category	Gross MSTB	Net MSTB	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbl	Net Mbbl
PROVED								
Developed Producing[(2)(6)]	0	0	0	0	0	0	0	0
Developed Non-Producing[(2)(7)]	0	0	0	0	0	0	0	0
Undeveloped[(2)(8)]	0	0	0	0	0	0	0	0
TOTAL PROVED[(2)]	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL PROBABLE[(3)]	11	11	31	31	0	0	0	0
TOTAL PROVED + PROBABLE[(2)(3)]	**11**	**11**	**31**	**31**	**0**	**0**	**0**	**0**

SUMMARY OF NET PRESENT VALUES
BASED ON FORECAST PRICES AND COSTS
AS AT DECEMBER 31, 2013

	Net Present Values of Future Net Revenue									
	Before Income Tax Discounted at					After Income Tax Discounted at				
Reserves Category	0%/yr $M	5%/yr. $M	10%/yr. $M	15%/yr. $M	20%/yr. $M	0%/yr $M	5%/yr. $M	10%/yr. $M	15%/yr. $M	20%/yr. $M
PROVED										
Developed Producing[(2)(6)]	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Developed Non-Producing[(2)(7)]	0	0	0	0	0	0	0	0	0	0
Undeveloped[(2)(8)]	0	0	0	0	0	0	0	0	0	0
TOTAL PROVED[(2)]	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL PROBABLE[(3)]	2,179	1,584	1,225	987	816	1,699	1,277	1,014	833	700
TOTAL PROVED + PROBABLE[(2)(3)]	**2,179**	**1,584**	**1,225**	**987**	**816**	**1,699**	**1,277**	**1,014**	**833**	**700**

TOTAL FUTURE NET REVENUE (UNDISCOUNTED) BASED ON FORECAST PRICES AND COSTS AS AT DECEMBER 31, 2013

	Revenue ($M)	Royalties ($M)	Operating Costs ($M)	Development Costs ($M)	Abandonment and Reclamation Costs ($M)	Future Net Revenue Before Income Taxes ($M)	Income Taxes ($M)	Future Net Revenue After Income Taxes ($M)
Total Proved[2]	0	0	0	0	0	0	0	0
Total Proved Plus Probable[2][3]	3,772	0	880	706	6	2,179	(481)	1,699

FUTURE NET REVENUE BY PRODUCTION GROUP BASED ON FORECAST PRICES AND COSTS AS AT DECEMBER 31, 2013

Reserve Category	Production Group	Future Net Revenue Before Income Taxes (Discounted at 10%/Year) ($M)
Total Proved[2]	Light and Medium Oil (including solution gas and other by-products)	0
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	0
Total Proved Plus Probable[2][3]	Light and Medium Oil (including solution gas and other by-products)	76
	Heavy Oil (including solution gas and other by-products)	1,150
	Natural Gas (including by-products but not solution gas)	0

OIL AND GAS RESERVES AND NET PRESENT VALUES BY PRODUCTION GROUP BASED ON FORECAST PRICES AND COSTS AS AT DECEMBER 31, 2013

	Reserves						Net Present Value (BIT)	Unit Values @ 10%/yr
	Oil		Gas[9]		NGL			
Reserve Group by Category	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbl	Net Mbbl	10% M$	
Light and Medium Oil								
Proved								
Developed Producing	0	0	0	0	0	0	0	0
Developed Non-Producing	0	0	0	0	0	0	0	0
Undeveloped	0	0	0	0	0	0	0	0
Total Proved	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
Probable	11	11	0	0	0	0	76	6.91
Proved Plus Probable	**11**	**11**	**0**	**0**	**0**	**0**	**76**	**6.91**
Heavy Oil								
Proved								
Developed Producing	0	0	0	0	0	0	0	0
Developed Non-Producing	0	0	0	0	0	0	0	0
Undeveloped	0	0	0	0	0	0	0	0
Total Proved	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Probable	31	31	0	0	0	0	1,150	37.10
Proved Plus Probable	**31**	**31**	**0**	**0**	**0**	**0**	**1,150**	**37.10**

Notes:

1. "Gross Reserves" are the Company's working interest (operating or non-operating) share before deducting of royalties and without including any royalty interests of the Company. "Net Reserves" are the Company's working interest (operating or non-operating) share after deduction of royalty obligations, plus the Company's royalty interests in reserves.
2. "Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
3. "Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.
4. "Possible" reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.
5. "Developed" reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g. when compared to the cost of drilling a well) to put the reserves on production.
6. "Developed Producing" reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
7. "Developed Non-Producing" reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.
8. "Undeveloped" reserves are those reserves expected to be recovered from know accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.
9. Includes associated, non-associated and solution gas where applicable.

Part 3 - Pricing Assumptions

The following table details the benchmark reference prices for the regions in which the Company operated, as at December 31, 2013, reflected in the reserves data disclosed above under "Part 2 – Disclosure of Reserves Data". The forecast price assumptions assume the continuance of current laws and regulations and take into account inflation with respect to future operating and capital costs. There will be adjustments to field prices from the benchmarks below

CRUDE OIL
HISTORICAL, CONSTANT, CURRENT AND FUTURE PRICES
January 1, 2014

Date	WTI [1] $US/STB
HISTORICAL PRICES	
2001	25.98
2002	26.09
2003	30.84
2004	41.48
2005	56.62
2006	65.91
2007	72.35
2008	99.70
2009	61.64
2010	79.42
2011	95.03
2012	94.16
2013	97.93
CONSTANT PRICES (SEC criteria)	
The first-day-of-the-month price for the preceding 12 months	97.47
FUTURE FORECAST	
2014	95.00
2015	90.00
2016	90.00
2017	96.00
2018	97.00
2019	98.00
2020	100.00
2021	100.00
2022	102.00
2023	104.04
2024	106.12
2025	108.24
2026	110.41
2027	112.62
2028	114.87
2029	117.17
Constant thereafter	

Notes: [1] West Texas Intermediate quality (D2/S2) crude landed in Cushing, Oklahoma.

Part 4 – Reconciliation of Changes in Reserves

The following table sets forth a reconciliation of the changes in the Company's gross reserves as at December 31, 2013 against such reserves as at December 31, 2012 based on the forecast price and cost assumptions:

RECONCILIATION OF COMPANY GROSS RESERVES BY PRINCIPAL PRODUCT TYPE BASED ON FORECAST PRICES AND COSTS AS AT DECEMBER 31, 2013

	Light and Medium Oil			Heavy Oil			Associated and Non-Associated Gas		
	Proved (Mbbl)	Probable (Mbbl)	Proved Plus Probable (Mbbl)	Proved (Mbbl)	Probable (Mbbl)	Proved Plus Probable (Mbbl)	Proved (MMscf)	Probable (MMscf)	Proved Plus Probable (MMscf)
At Dec 31, 2012	**0**	**11**	**11**	**0**	**31**	**31**	**-**	**-**	**-**
Production(Sales)	0	0	0	0	0	0	**-**	**-**	**-**
Acquisitions	0	0	0	0	0	0	**-**	**-**	**-**
Dispositions	0	0	0	0	0	0	**-**	**-**	**-**
Discoveries	0	0	0	0	0	0	**-**	**-**	**-**
Extensions & Improved Recovery	0	0	0	0	0	0	**-**	**-**	**-**
Economic Factors	0	0	0	0	0	0	**-**	**-**	**-**
Technical Revisions	0	0	0	0	0	0	**-**	**-**	**-**
At Dec 31, 2013	**0**	**11**	**11**	**0**	**31**	**31**	**-**	**-**	**-**

Part 5 – Additional Information Relating to Reserves Data

Undeveloped Reserves

The Company had no proved undeveloped reserve as at December 31, 2013 or in prior years.

The following table sets forth the volumes of probable undeveloped net reserves that were attributed for each of the Company's product types for the most recent three financial years and in the aggregate before that time:

	Light and Medium Oil (Mbbl)	**Heavy Oil (Mbbl)**	**Natural Gas (MMscf)**	**Natural Gas Liquids (Mbbl)**
Aggregate prior to 2010	11	-	-	-
2011	(1)	-	-	-
2012	1	-	-	-
2013	0	-	-	-

The following discussion generally describes the basis on which the Company attributes probable undeveloped reserves and its plans for developing those undeveloped reserves.

Probable Undeveloped Reserves

The Company's Probable Undeveloped reserves are based on mapping and applying reservoir parameters from the existing well to the offsetting drilling location. The Company intends to develop these reserves within one year.

Significant Factors or Uncertainties

The estimation of reserves requires significant judgment and decisions based on available geological, geophysical, engineering and economic data. These estimates can change substantially as additional

information from ongoing development activities and production performance becomes available and as economic and political conditions impact oil and gas prices and costs change. The Company's estimates are based on current production forecast, prices and economic conditions. All of the Company's reserves are evaluated by Chapman Petroleum Engineering Ltd., an independent engineering firm.

As circumstances change and additional data becomes available, reserve estimates also change. Based on new information, reserves estimates are reviewed and revised, either upward or downward, as warranted. Although every reasonable effort has been made by the Company to ensure that reserves estimate are accurate, revisions may arise as new information becomes available. As new geological, production and economic data is incorporated into the process of estimating reserves the accuracy of the reserve estimate improves.

Future Development Costs

The following table shows the development costs anticipated in the next five years, which have been deducted in the estimation of the future net revenues of the proved and probable reserves.

	Total Proved Estimated Using Forecast Prices and Costs (Undiscounted) ($M)	**Total Proved Plus Probable Estimated Using Forecast Prices and Costs (Undiscounted)** ($M)
2014	-	706
2015	-	-
2016	-	-
2017	-	-
2018	-	-
Total for five years	-	706
Remainder	-	-
Total for all years	-	706

Part 6 – Other Oil and Gas Information

Oil and Gas Properties and Wells

The following table sets forth the number of wells in which the Company held a working interest as at December 31, 2013:

	Oil		**Natural Gas**	
	Gross[(1)]	**Net[(1)]**	**Gross[(1)]**	**Net[(1)]**
Colombia				
Producing	-	-	-	-
Non-producing	2	0.2	-	-

All of the Company's wells are located onshore in the Republic of Colombia.

Properties with No Attributed Reserves

The only property of the Company as of December 31, 2013 is the Buganviles Association Contract in Colombia. The Company owns no other properties and, accordingly, does not have any properties to which no reserves have been attributed.

Forward Contracts

Currently, the Company has no forward contracts.

Additional Information Concerning Abandonment and Reclamation Costs

The Company expects to have costs relating to 0.2 net wells. All costs have been included in the Chapman report.

FUTURE ABANDONMENT AND RESTORATION COSTS

	Total Proved Estimated Using Forecast Prices and Costs (Undiscounted) ($M)	Total Proved Estimated Using Forecast Prices and Costs (10% Discounted) ($M)	Total Proved Plus Probable Estimated Using Forecast Prices and Costs (Undiscounted) ($M)	Total Proved Plus Probable Estimated Using Forecast Prices and Costs (10% Discounted) ($M)
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
Total for three years	-	-	-	-
Remainder	-	-	5	1
Total for all years			5	1

Tax Horizon

The Company is expected to become taxable in 2016 and thereafter under the probable cash flow forecast in this report.

Costs Incurred

The following table summarizes the capital expenditures made by the Company on oil and natural gas properties for the year ended December 31, 2013

Property Acquisition Costs ($M)		Exploration Costs ($M)	Development Costs ($M)
Proved Properties	Unproved Properties		
0	0	0	0

Exploration and Development Activities

The following table sets forth the number of exploratory and development wells which the Company completed during its 2013 financial year:

	Exploratory Wells		Development Wells	
	Gross[(1)]	Net[(1)]	Gross[(1)]	Net[(1)]
Oil Wells	0	0	0	0
Gas Wells	0	0	0	0
Service Wells	0	0	0	0
Dry Holes	0	0	0	0
Total Completed Wells	0	0	0	0

The Company did not drill or develop any additional reserves in the fiscal year.

Production Estimates

The following table sets forth the volume of production estimated by Chapman for 2014 (12 mo.)

TOTAL PROVED RESERVES

AREA	Light and Medium Oil (Mbbl)	Heavy Oil (Mbbl)	Natural Gas (MMscf)	Natural Gas Liquids (Mbbl)
Colombia	-	-	-	-
Total for all areas	**-**	**-**	**-**	**-**

TOTAL PROVED PLUS PROBABLE RESERVES

AREA	Light and Medium Oil (Mbbl)	Heavy Oil (Mbbl)	Natural Gas (MMscf)	Natural Gas Liquids (Mbbl)
Colombia	1.4	2.8	-	-
Total for all areas	**1.4**	**2.8**	**-**	**-**

These values are gross to Company's working interest before the deduction of royalties payable to others.

Production History

The following table sets forth certain information in respect of production, product prices received, royalties, production costs and netbacks received by the Company for each quarter of its most recently completed financial year:

	Three Months Ended March 31, 2013	Three Months Ended June 30, 2013	Three Months Ended Sept. 31, 2013	Three Months Ended Dec. 31, 2013
Average Daily Production				
Light and Medium Oil (Bbl/d)	0	0	0	0
Natural Gas (Mscf/d)	0	0	0	0
Average Net Prices Received				
Light and Medium Oil ($/Bbl)	0	0	0	0
Natural Gas ($/Mscf)	0	0	0	0
Royalties				
Light and Medium Oil ($/Bbl)	0	0	0	0
Natural Gas ($/Mscf)	0	0	0	0
Production Costs				
Light and Medium Oil ($/Bbl)	0	0	0	0
Natural Gas ($/Mscf)	0	0	0	0
Netback Received				
Light and Medium Oil ($/Bbl)	0	0	0	0
Natural Gas ($/Mscf)	0	0	0	0

ABBREVIATIONS AND CONVERSION

In this document, the abbreviations set forth below have the following meanings:

Oil and Natural Gas Liquids

Bbl	barrel
Bbls	barrels
Mbbls	thousand barrels
MMbbls	million barrels
MSTB	1,000 stock tank barrels
Bbls/d	barrels per day
NGLs	natural gas liquids
STB	stock tank barrels of oil
STB/d	stock tank barrels of oil per day

Natural Gas

Mscf	thousand standard cubic feet
MMscf	million standard cubic feet
Mscf/d	thousand standard cubic feet per day
MMscf/d	million standard cubic feet per day
MMBTU	million British Thermal Units
Bscf	billion standard cubic feet
GJ	gigajoule

Other

AECO	Niska Gas Storage's natural gas storage facility located at Suffield, Alberta.
BIT	Before Income Tax
AIT	After Income Tax
BOE	barrel of oil equivalent on the basis of 1 BOE to 6 Mscf of natural gas. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 1 BOE for 6 Mscf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.
BOE/d	barrel of oil equivalent per day
m^3	cubic metres
$M	thousands of dollars
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade