



TSXV: LNE

NEWS RELEASE

COLOMBIA – TUQUEQUE-1X UPDATE

Calgary, Alberta: March 10, 2011 - Loon Energy Corporation ("Loon") provides the following update on the status of the Tuqueque-1X well located in the Buganviles Block, Upper Magdalena Valley Basin, Colombia. Loon has a 10% interest in the well and in the Buganviles Block.

Tuqueque-1X

Drilling operations on the Tuqueque-1X well were terminated at a depth of 9,303 feet and plans to deepen the well to 11,300 feet were suspended after encountering drilling challenges.

The petrophysical evaluation of the upper part of the well indicated three prospective intervals in the Olini Formation with aggregate potential hydrocarbon pay of 34 feet. A program to evaluate the productive capability of the three zones has been proposed by the operator of the well and is expected to commence shortly.

The Montserrate Formation potential net pay of 31 feet as announced on February 2, 2011 is planned to be tested in an updip drilling location later this year.

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Cautionary Note Regarding Forward-Looking Statements

This news release contains forward-looking statements relating to the, the drilling and testing of the Tuqueque-1X well and other related matters, some of which are not 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 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 risk that the wells may encounter drilling and/or completion problems which could lead to greater cost and, potentially, a failure to reach total depth or to evaluate the prospects being drilled, the state of the economy in general and capital markets in particular, investor interest in the business and future prospects of Loon.

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 third parties in respect of the matters discussed above.

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