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 December 31, 2010.

The effective date is December 31, 2010.

The preparation date is April 14, 2011.

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, 2010, and dated April 14, 2011 (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 report are expressed in terms of US dollars.

SUMMARY OF OIL AND GAS RESERVES
BASED ON FORECAST PRICES AND COSTS
AS AT DECEMBER 31, 2010

	Company Reserves							
	Light and Medium Oil		Heavy Oil		Natural Gas [1]		Natural Gas Liquids	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Reserves Category	MSTB	MSTB	MSTB	MSTB	MMscf	MMscf	Mbbl	Mbbl
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	11	11	31	31	0	0	0	0
TOTAL PROVED PLUS PROBABLE	**11**	**11**	**31**	**31**	**0**	**0**	**0**	**0**

SUMMARY OF NET PRESENT VALUES
BASED ON FORECAST PRICES AND COSTS
AS AT DECEMBER 31, 2010

	Net Present Values of Future Net Revenue ($US)									
	Before Income Tax Discounted at					After Income Tax Discounted at				
	0%/yr	5%/yr.	10%/yr.	15%/yr.	20%/yr.	0%/yr	5%/yr.	10%/yr.	15%/yr.	20%/yr.
Reserves Category	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
PROVED										
Developed Producing[(2)(6)]	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)]	2,215	1,601	1,231	985	810	1,721	1,286	1,016	830	694
TOTAL PROVED + PROBABLE[(2)(3)]	**2,215**	**1,601**	**1,231**	**985**	**810**	**1,721**	**1,286**	**1,016**	**830**	**694**

TOTAL FUTURE NET REVENUE (UNDISCOUNTED)
BASED ON FORECAST PRICES AND COSTS
AS AT DECEMBER 31, 2010

	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]	3,808	0	880	706	7	2,215	(494)	1,721

FUTURE NET REVENUE BY PRODUCTION GROUP
BASED ON FORECAST PRICES AND COSTS
AS AT DECEMBER 31, 2010

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)	75
	Heavy Oil (including solution gas and other by-products)	1,156
	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, 2010

Reserve Group by Category	Reserves						Net Present Value (BIT)	Unit Values @ 10%/yr.
	Oil		Gas		NGL			
	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbl	Net Mbbl	10% M$	$/STB
Light and Medium Oil [1]								
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	22	22	0	0	0	0	75	3.41
Proved Plus Probable	**22**	**22**	**0**	**0**	**0**	**0**	**75**	**3.41**
Heavy Oil [1]								
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	62	62	0	0	0	0	1,156	18.65
Proved Plus Probable	**62**	**62**	**0**	**0**	**0**	**0**	**1,156**	**18.65**
Assoc & Non-Assoc Gas								$/Mscf
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	0	0	0	0	0	0	0	0
Proved Plus Probable	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Reference: Item 2.1 (3)(c) NI 51-101F1

M$ means thousands of United States dollars

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, 2010, 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

Date		WTI [1] $US/STB
HISTORICAL PRICES		
1994		17.16
1995		18.41
1996		21.98
1997		20.59
1998		14.46
1999		19.21
2000		30.39
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
CONSTANT PRICES		
December 31, 2010	[2]	91.38
CURRENT YEAR FORECAST		
2011		88.00
FUTURE FORECAST		
2012		90.00
2013		92.00
2014		94.00
2015		97.00
2016		100.00
2017		102.00
2018		104.00
2019		106.00
2020		108.12
2021		110.28
2022		112.49
2023		114.74
2024		117.03
2025		119.37
2026		121.76
Constant thereafter		

Notes:
[1] West Texas Intermediate quality (D2/S2) crude landed in Cushing, Oklahoma.
[2] December 31, 2010 is the last trading day of 2010.

The weighted average oil price received by the Company during the 2009 fiscal year was US$28.18/STB. The Company did not have any oil production during the 2010 fiscal year.

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, 2010 against such reserves as at December 31, 2009 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, 2010

	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, 2009	**0**	**47**	**47**	**0**	**0**	**0**	**-**	**-**	**-**
Production(Sales)	0	0	0	-	-	-	-	-	-
Dispositions	-	(24)	(24)	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	-	-
Discoveries	-	-	-	0	31	31	-	-	-
Extensions	-	-	-	-	-	-	-	-	-
Revisions to Previous Estimates	-	-	-	-	-	-	-	-	-
Economic Factors	-	-	-	-	-	-	-	-	-
Technical	0	(12)	(12)	-	-	-	-	-	-
Extensions & Improved Recovery	-	-	-	-	-	-	-	-	-
At Dec 31, 2010	**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, 2010 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 2007	-	-	-	-
2008	56	-	-	-
2009	27	-	-	-
2010	11	-	-	-

The following discussion generally describes the basis on which the Company attributes probable and possible 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.

Certain information regarding the Company set forth in this report, including management's assessment of the Company's future plans and operations contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These risks include, but are not limited to: the risks associated with the oil and gas industry, commodity prices and exchange rates; industry related risks could include, but are not limited to, operational risks in exploration, development and production, delays or changes in plans, risks associated with the uncertainty of reserve estimates, health and safety risks and the uncertainty of estimates and projections of production, costs and expenses. Competition from other producers, the lack of available qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources are additional risks the Company faces in this market. The Company's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward looking statements and accordingly, no assurance can be given that any events anticipated by the forward looking statements will transpire or occur, if any of them do, what benefits the Company can derive from. The reader is cautioned not to place undue reliance on this forward looking information.

The Company anticipates that the future exploration and development costs will be financed through combinations of internally generated cash flow, flow-through and/or equity financing

The Company sells all of its crude oil into the spot market. The Company does not currently have any hedges in place. Prices received from crude oil are determined by the quality of the crude compared to a benchmark price for light, sweet oil.

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)
2011	-	706
2012	-	-
2013	-	-
2014	-	-
2015	-	-
Total for five years	-	706
Remainder	-	-
Total for all years	-	706

The Company has been successful in raising its required capital through equity financings and plans to continue to do so for the development costs specified above. The effect of the costs of the expected funding would have no impact on the revenues or reserves currently being reported.

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, 2010:

	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 in the Buganviles Association Contract.

Properties with No Attributed Reserves

The Company has a 10% working interest the Buganviles Association Contract which is 55,000 gross acres (5,500 net acres) in size and which, in addition to the wells containing reserves evaluated in the Chapman Report other prospects and leads which may be drilled in the future.

Forward Contracts

Currently, the Company has no forward contracts.

Additional Information Concerning Abandonment and Reclamation Costs

The Company expects to have costs relating to 0.3 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)
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-
Total for three years	-	-	-	-
Remainder	-	-	13	2
Total for all years			13	2

Tax Horizon

The Company is expected to become taxable in 2013 and thereafter under the probable cash flow forecast in this report.

Costs Incurred

No property acquisition costs or development costs were incurred by the Company during the 2010 fiscal year. Exploration costs during 2010, net to the Company, were US$409,275.

Exploration and Development Activities

The following table sets forth the number of exploratory and development wells which the Company completed during its 2010 financial year:

	Exploratory Wells		Development Wells	
	Gross[(1)]	Net[(1)]	Gross[(1)]	Net[(1)]
Oil Wells	1	0.10	0	0
Gas Wells	0	0	0	0
Service Wells	0	0	0	0
Dry Holes	0	0	0	0
Total Completed Wells	1	0.10	0	0

Production Estimates

The following table sets forth the volume of production estimated by Chapman for 2011 (12 months)

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 Company did not have any production during 2010.

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