



FORM 51-101F3

REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101").

1. Terms to which a meaning is ascribed in *NI 51-101* have the same meaning in this form.
2. The report referred to in item 3 of section 2.1 of *NI 51-101* must in all material respects be as follows:

Report of Management and Directors on Reserves Data and Other Information

Management of Loon Energy Corporation (the "**Company**") is responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. The Company holds only a minor non-operated working interest in non-producing properties in Colombia. No reserves have been assigned for these properties and no reserves report has been prepared as of December 31, 2015 or December 31, 2016.

The Board of Directors of the Company has reviewed the oil and gas activities of the Company and has determined that the Company had no reserves as of December 31, 2016, the last day of the Company's most recently completed fiscal year. Accordingly, an independent qualified reserves evaluator or qualified reserves auditor has not been retained to evaluate the Company's reserves data and no report of an independent qualified reserves evaluator or qualified reserves auditor will be filed with securities regulatory authorities with respect to the financial year ended on December 31, 2016. The Board of Directors has also reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management.

The Board of Directors has approved:

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing information detailing the Company's oil and gas activities; and
- (b) the content and filing of this report.

"Signed"

Norman W. Holton, President & Chief Executive Officer

"Signed"

Paul H. Rose, Chief Financial Officer

"Signed"

Richard W. Elliott, Director

"Signed"

Jock M. Graham, Director

May 10, 2017