

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Loon Energy Corporation (the "**Company**")
1100, 700 -4th Avenue S.W.
Calgary, Alberta T2P 3J4

Item 2. Date of Material Change

December 17, 2020.

Item 3. News Release

Press release issued by the Company on December 14, 2020 in respect to the material change referred to in this report via a Canadian news wire service, a copy of which has been filed via SEDAR.

Item 4. Summary of Material Change

The Company announced that effective December 17, 2020 the Company's common shares (the "**Common Shares**") will be consolidated such that one (1) new Common Share will be issued for every four (4) Common Shares outstanding (the "**Consolidation**").

Item 5. Full Description of Material Change

The shareholders of the Company approved the Consolidation at its annual and special meeting of shareholders held on December 8, 2020 (the "**Shareholders Meeting**"). The board is effecting the Consolidation in order to increase its flexibility with respect to potential business transactions, including any equity financings, if determined by the Company to be advisable. The TSX Venture Exchange has approved the consolidation. Prior to giving effect to the Consolidation there are 41,001,059 Common Shares outstanding and after giving effect to the Consolidation, the Company will have approximately 10,250,270 Common Shares issued and outstanding.

Letters of transmittal with respect to the Consolidation will be sent to the shareholders of the Company on December 17, 2020. Copies of the letter of transmittal may be obtained from Computershare Trust Company of Canada ("Computershare"), the registrar and transfer agent of the Company, by contacting Computershare by telephone at 1-800-564-6253. The Company's name and trading symbol will remain unchanged. The CUSIP number for the post-Consolidation Common Shares is 543512305.

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

Not Applicable.

Item 7. Omitted Information

No information has been omitted from this material change report.

Item 8. Executive Officer

The following senior officer of Loon Energy Corporation is knowledgeable about the material change and the Report and may be contacted as follows:

Michael Stein, CEO
Telephone: +1 416-410-7722

Item 9. Date of Report

December 17, 2020.