



TSXV: LNE

NEWS RELEASE

**LOON ENERGY ANNOUNCES EXPLORATORY SUCCESS IN COLOMBIA**

**Calgary, Alberta: November 04, 2010** - Loon Energy Corporation ("Loon") announces today a new exploratory success at its Visure-1X well, located in the Buganviles Block, Upper Magdalena Valley Basin, Colombia.

The Visure-1X well, drilled on the southwestern flank of the Visure Prospect near to the southeastern border of the Buganviles Block, was drilled to evaluate a structural trap, similar to the trap at the nearby Abanico Field to the northeast. The well had three main exploratory objectives: the Cretaceous Lower and Upper intervals of the Guadalupe Formation and the Tertiary Barzalosa Formation. The well was spud on October 16, 2010 and reached a final depth of 3,380 feet measured depth ("MD") or 2,205 feet true vertical depth subsea ("TVDSS") on November 1<sup>st</sup>, 2010. The well was drilled slightly deviated at an angle of 9 degrees and found the top of the Barzalosa Formation at 2,206 feet MD (1,040 feet TVDSS), the Upper Guadalupe at 2,995 feet MD (1,825 feet TVDSS), the Lower Guadalupe Interval at 3,079 feet MD (1,908 feet TVDSS), and the top of Villeta Formation at 3,272 feet MD (2,099 feet TVDSS).

The petrophysical evaluation of the well in the Barzalosa, Upper Guadalupe and Lower Guadalupe Formations indicated a total net pay of liquid hydrocarbons of 114 feet in the three intervals, ranging from 24.5 to 45.5 feet of net pay and 16% to 26% average porosity. In addition to the oil bearing sandstones, the well also showed gas saturated sandstones in the Barzalosa Formation. A summary of the petrophysical evaluation for each interval is presented below which was supplied to Loon by the operator of the Visure-1X well:

Unit	Interval (TVDSS) (feet)	Gross Reservoir (feet)	Net Reservoir (feet)	Net Pay (feet)	Average Sw (%)	Average Porosity (%)	Type of Hydrocarbon
Barzalosa	1,040-1,825	633.5	618	24.5	49.4	19.1	Oil/Gas
Upper Guadalupe	1,825-1,908	62	60.5	45.5	47.5	16.7	Oil
Lower Guadalupe	1,908-2,099	151	150.5	44	37.6	25.9	Oil

The Visure-1X well confirmed an oil-water contact at 1,970 feet TVDSS in the Lower Guadalupe Formation. Seismic interpretation indicates the crest of the structure at this level, 0.7 kilometres to the northeast, has been mapped at 1,915 feet TVDSS, which could imply an additional 65 feet of hydrocarbon column for the Visure prospect in the Lower Guadalupe Formation.

The operator has advised that it is preparing the testing plan for the well with the objective of completing the well as a producer from the Guadalupe Formation.

The results of the Visure-1X well in the Buganviles Block taken together with interpretation of 2D seismic information, indicates a number of new exploration opportunities and the operator has advised this it is now planning to drill additional wells in the Block during the last quarter of 2010 and the first quarter of 2011. The first of these, the previously announced Tuqueque-1X well, is expected to spud shortly.

Loon had previously announced a farmout agreement with Petrodorado South America S.A. ("**Petrodorado S.A.**") under which Petrodorado S.A. will pay Loon's 20% share of the AFE cost to drill and complete two wells on the Buganviles Block in Colombia to earn 75% (net 15%) of the interest of Loon in the Buganviles Association Contract (the "**Farmout**"). The Farmout provided for a reduction in the earning interest of Petrodorado S.A. from net 15% to net 10% upon payment by Loon of 10% of the completion costs of both wells, if the proposed acquisition of Loon by Petrodorado Energy Ltd. ("**Petrodorado**"), first announced on July 19, 2010, did not close. It was disclosed on October 25, 2010 that the proposed acquisition would not close and on November 03, 2010 Loon provided notice to Petrodorado S.A. that it would pay its entire 10% share of completion costs and would then retain a 10% working interest in the Visure-1X well, the Tuqueque-1X well and in the Buganviles Block.

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#### **Cautionary Note Regarding Forward-Looking Statements**

This news release contains forward-looking statements relating to the results of the Visure-1X well, the drilling of the Tuqueque-1X well, the Farmout and the transaction with Petrodorado announced July 19, 2010, 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.