



TSXV: LNE
NEWS RELEASE
SECOND WELL SPUDS ON BUGANVILES BLOCK

Calgary, Alberta: November 8, 2010 - Loon Energy Corporation ("Loon") announces the spud of the Tuqueque-1X well.

The Tuqueque-1X well has a planned total depth of 7,600 feet and is targeting the Tetuan and Caballos formations of Cretaceous age. The Buganviles Association Contract land is located in the Upper Magdalena Valley area of central Colombia. The well was spud on November 4, 2010 and is currently drilling at a depth of 276 feet. The well, which is operated by a wholly-owned subsidiary of Pacific Rubiales Energy Corp., is expected to reach total depth in approximately 50 days.

The Tuqueque prospect is located approximately 15 kilometres to the northwest of the Visure-1X discovery well announced last week.

Loon has a 10% privately held interest in the Tuqueque-1X well, the Visure-1X well and in the Buganviles Association Contract. The drilling costs of Loon in the Tuqueque-1X well are being paid by Petrodorado South America S.A. ("**Petrodorado S.A.**") pursuant to a farmout agreement. Loon had previously announced the farmout agreement with 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 for both the Visure-1X and the Tuqueque-1X wells and would then retain a 10% privately held interest in the Visure-1X well, the Tuqueque-1X well and in the Buganviles Association Contract.

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Cautionary Note Regarding Forward-Looking Statements

This news release contains forward-looking statements relating to the drilling of the Visure-1X well, 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.

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