



**TSXV: LNE
NEWS RELEASE
UNAWARE OF ANY MATERIAL CHANGE**

Calgary, Alberta: July 7, 2011 - Loon Energy Corporation ("**Loon**" or the "**Company**") wishes to confirm that the management of the Company is not aware of any material change in the Company's operations that would account for the recent increase in market activity.

Loon is an international oil and gas exploration company whose sole asset is a 10% interest in an exploration block, the Bugarviles Association Contract, in the Upper Magdalena Valley area of central Colombia. Two wells have been drilled on the block since the third quarter of 2010 and both are currently suspended. The results of these wells, at Visure-1X and Tuqueque-1X, have been disclosed in earlier news releases.

For further information, please contact:

Loon Energy Corporation
Norman W. Holton
President & Chief Executive Officer
Phone: (403) 264-8877
nholton@loonenergy.com

Cautionary Note Regarding Forward-Looking Statements

This news release may contain assumptions, estimates, and other forward-looking statements regarding future events. Such forward-looking statements involve inherent risks and uncertainties and are subject to factors, many of which are beyond the Company's control that may cause actual results or performance to differ materially from those currently anticipated in such statements.

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 any third parties in respect of the matters discussed above.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Suite 1170, 700-4th Avenue S.W., Calgary, Alberta, Canada / Telephone: +1-403-264-8877 / Facsimile: +1-403-264-8861