



**TSXV: LNE
NEWS RELEASE
GRANT OF OPTIONS**

Calgary, Alberta: October 25 2012 - Loon Energy Corporation ("**Loon**") announces that it has granted options to purchase 411,000 common shares of Loon at an exercise price of \$0.10 per common share. They were granted pursuant to the terms of the Stock Option Plan of Loon and 68,000 of the options were granted to officers and directors. The options vest one-third on the date of grant and one-third on each of the first and second anniversaries of the date of grant and have a term of five years.

For further information, please contact:

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