Loon Energy Announces Consolidation

Calgary, Alberta--(Newsfile Corp. - December 14, 2020) - **Loon Energy Corporation (NEX: LNE.H)** ("**Loon**" or the "**Company**") announces 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**").

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.

Further details regarding the Consolidation are contained in the Company's management information circular dated November 1, 2020, which has been filed on SEDAR at www.sedar.com.

About Loon Energy

Loon was incorporated under the *Business Corporations Act* (Alberta) in the fourth quarter of 2008 and carried on business as an international oil and gas exploration company until 2017. Loon currently does not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a transaction.

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