



## **Quetzal Energy provides Guatemala operational update**

**Calgary, Alberta** March 11, 2011 - Quetzal Energy Ltd. (TSX VENTURE: QEI) ("Quetzal" or the "Company") is pleased to provide the following update on operations in Guatemala:

### **Guatemala Operations Update**

#### **Atzam**

Quetzal is in the process of final design and putting out for bid a 3D seismic program to better define the producing structure at Atzam field. Tenders will be solicited this month with acquisition scheduled to begin in June. Quetzal has programmed two wells for drilling on the Atzam structure during 2011 using its company owned rig.

#### **Las Casas 3X**

The eight intervals perforated from 7,984 to 8,336 feet have produced inconclusive results of oil and water during preliminary testing. Current operations are drilling out two bridge plugs at 8,645 and 8,670 feet to test open perforations in the Coban C8 and C9 reservoirs. The C9 interval (8,686 to 8,717 feet) tested 250 bfpd with a 60% oil cut during 2005. The upper C8 interval (8,452 to 8,636 feet) tested 210 bfpd also with a 60% oil cut during 2005. Quetzal plans to test the open intervals using an electrical submersible pump. Initial results are expected in late April to early May.

Additionally, as part of Quetzal's ongoing strategy to maximize shareholder value, the Company is contemplating a spin-out of the Guatemala assets to its shareholders.

### **Colombia operations update**

Quetzal intends to issue an update on operations in Colombia next week.

### **Employee Stock Options**

Pursuant to the Quetzal Energy Ltd. Stock Option Plan, a total of 16,500,000 stock options will be granted to employees, consultants and officers of the Company, effective March 10, 2011, subject to regulatory approval. The issue price is \$ 0.125 per share option which is the same price as the January 2011 financing and the options will expire on March 10, 2016.

FOR FURTHER INFORMATION PLEASE CONTACT:

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## Cautionary Statements

*This news release contains forward-looking information and forward-looking statements within the meaning of applicable securities laws (together, "forward-looking information"). The use of any of the words "expect", "anticipate", "continue", "estimate", "believe", "plans", "intends", "confident", "may", "objective", "ongoing", "will", "should", "project", "should" and similar expressions are intended to identify forward-looking information. In particular, but without limiting the foregoing, this news release contains forward-looking information concerning the use of proceeds of the recently completed offering of units of the Corporation. .*

*The forward-looking information is based on certain key expectations and assumptions made by Quetzal, including expectations and assumptions concerning the operational results in Colombia and Guatemala. Although Quetzal believes that the expectations and assumptions on which the forward-looking information are based are reasonable, undue reliance should not be placed on the forward-looking information because Quetzal can give no assurance that they will prove to be correct.*

*Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the inherent risks involved in the exploration and development of oil and gas properties, the uncertainties involved in interpreting drilling results and other geological data, uncertainties relating to fluctuating oil and gas prices, the possibility of cost overruns or unanticipated costs and expenses and other factors including unforeseen delays. Anticipated exploration and development plans relating to Quetzal's properties are subject to change.*

*The foregoing list of assumptions, risks and uncertainties is not exhaustive. The forward-looking information contained in this press release is made as of the date hereof and Quetzal undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

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