



Quetzal Energy provides operational update for Colombia

Calgary, Alberta March 18, 2011 - Quetzal Energy Ltd. (TSX VENTURE: QEI) ("Quetzal" or the "Company") is pleased to provide the following update on operations in Colombia:

Colombia Operations Update

Canaguaro Block

Installation of long term production testing equipment at the Canaguay #1 well is in the final stage and is scheduled to be finished by the end of March. Production testing is expected to begin several weeks after this date, once the facilities have been certified. Operators in Colombia have been experiencing delays due to a shortage of equipment and service personnel; Quetzal has experienced similar delays. Quetzal has a 25% working interest in the Canaguaro Block and is acting as operator of the well.

Block 27

Two initial drilling locations have been selected based on the interpretation of the previously completed 3D seismic survey. Construction of the locations and drilling of the wells is planned to begin once the environmental permits are received. Quetzal expects to receive the environmental permits within 45 days. The drilling of two wells is currently planned for May or June with anticipated total depths of approximately 10,000 feet. Prospective targets include the oil bearing intervals in the Carbonera, Mirador and Une Formations.

An additional 54 square kilometer 3D seismic program in the south eastern portion of the block has been initiated in an effort to further define additional drilling locations. Seismic acquisition is expected to be completed within 45 to 60 days. An additional 10,000 foot well is currently planned for July or August, dependant on the results of the 3D seismic. Quetzal has a 50% paying interest before payout and is acting as operator of the block.

Block 21

A 95 square kilometer 3D seismic program has commenced on Block 21, with approximately 15% of the program completed to date. Quetzal expects to have the results of the program by the end of June. Drilling on Block 21 is scheduled to begin by the end of 2011, with projected well depths of 8,000 feet. Quetzal has a 50% paying working interest and is acting as the operator of the block

Block 36

The acquisition of 109 square kilometers of 3D seismic on Block 36 is approximately 50% complete. Drilling of one 15,000 foot well is scheduled by the end of 2011. Quetzal has a 20% paying working interest in the block.

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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