

TORONTO, Jan. 13, 2011 (Canada NewsWire via COMTEX News Network) --

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Quetzal Energy Ltd. ("Quetzal" or the "Company") (TSXV: QEI) is pleased to announce that it has obtained a receipt for its preliminary short form prospectus dated January 13, 2011, filed with the securities regulatory authorities in British Columbia, Alberta, and Ontario, with respect to a public offering (the "Offering"), on a "commercially reasonable efforts" basis, of common shares for gross proceeds of up to \$30,000,000 (the "Common Shares") through a syndicate of agents co-led by Canaccord Genuity Corp. and All Group Financial Services Inc. and including Jennings Capital Inc. (collectively, the "Agents"). The pricing of the Common Shares will be determined in the context of the market.

The Offering is expected to close on or about January 27, 2011 and is subject to certain conditions, including, but not limited to completion of due diligence by the Agents, and receipt of all necessary approvals, including approval of the TSX Venture Exchange.

The Company plans to use net proceeds from the Offering to fund its 2011 exploration and development plans and for general corporate purposes.

#### About Quetzal

Quetzal is a development stage independent oil and gas company engaged in exploration, development, and production activities in Guatemala and Colombia. Quetzal is actively involved in identifying and developing commercial opportunities for the monetization of hydrocarbon resources in both countries.

#### Caution to Reader

#### Forward-Looking Information and Statements

This news release contains certain forward-looking information and statements that are based on Quetzal's current expectations, estimates, projections and assumptions in light of its experience and its perception of historical trends. In this news release, such forward-looking information and statements can be identified by terminology such as "will", "to be", "expected", "anticipated" and similar expressions.

In particular, this news release contains forward-looking statements and information relating to the planned use of proceeds, Quetzal's 2011 exploration and development plans and timing for the Offering. These forward-looking statements and information are being made by Quetzal based on certain assumptions that Quetzal has made in respect thereof as at the date of this document, including that favourable growth parameters continue to exist in respect of current and future growth plans (including the ability to finance such plans on favourable terms).

These forward-looking statements are not guarantees of future performance and are subject to a number of known and unknown risks and uncertainties, including, but not limited to: non-performance of agreements in accordance with their terms; the impact of competition; commodity prices; regulatory environment and inability to obtain required regulatory approvals; tax laws and treatment; fluctuations in operating results; the ability of Quetzal to raise sufficient capital to complete future projects and satisfy future commitments; labour and material shortages; and certain other risks detailed from time to time in Quetzal's public disclosure documents including, among other things, those detailed under the heading "Risk Factors" in the annual information form of Quetzal for the year ended December 31, 2009, dated January 2, 2011 which can be found at [www.sedar.com](http://www.sedar.com).

Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted, forecasted or projected. Such forward-looking statements are expressly qualified by the above statements. Quetzal does not undertake any obligation to publicly update or revise any forward-looking statements or information contained herein, except as required by applicable laws.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The securities have not and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold in the United States or to any U.S. person except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

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