

PRESS RELEASE

Canadian Quantum Announces Closing of Private Placement

December 21, 2011 - Calgary, Alberta: **Canadian Quantum Energy Corporation** (“Canadian Quantum” or the “Corporation”) (TSXV: “CQM”) announced today that Corporation has completed a non-brokered private placement of 900,000 common units at \$0.20 per common unit and 1,740,000 flow-through units at \$0.25 per flow-through unit, for total gross proceeds of \$615,000, subject to TSX Venture Exchange final approval. Each common unit consists of one common share and one common share purchase warrant. Each flow-through unit consists of one common share to be issued on a “flow-through” basis and one-half of one common share purchase warrant. Each whole warrant will entitle the holder thereof to acquire one common share at a price of \$0.35 per share for a period of one year after the closing. If, at any time after the expiry of the 4 month hold period, the closing price of the common shares on the TSX Venture Exchange is at least \$0.70 for a period of 5 consecutive trading days, the Corporation may, at its option, accelerate the expiry date of the warrants by issuing a news release announcing the acceleration and, in such case, the warrants will expire on the date that is the earlier of: (i) the 30th day after the date on which such news release is issued by the Corporation; and (ii) the original expiry date.

Finders acting in connection with the offering received aggregate fees of \$28,800 and 116,000 finder’s warrants. Each finder’s warrant entitles the holder to purchase one common share at the subscription price of the units for a period of one year after the closing.

All securities issued in connection with the private placement are subject to a four month hold period that expires on April 20, 2012. The net proceeds of the private placement will be used will be used to finance the Corporation's continuing capital program and for general working capital purposes. After giving effect to the private placement, the Corporation has 30,008,665 common shares issued and outstanding.

Douglas Brett, a director and executive officer of the Corporation, subscribed for 500,000 common units, Michael Koenig, a director and executive officer of the Corporation, subscribed for 50,000 common units and Eric M. Leslie, a director of the Corporation, subscribed for 200,000 flow-through units under the private placement. Canadian Quantum has determined that there are exemptions available from the various requirements of TSX Venture Policy 5.9 and Multilateral Instrument 61-101 for the issuance of these shares, (Formal Valuation - Issuer Not Listed on Specified Markets; Minority Approval - Fair Market Value Not More Than 25% of Market Capitalization). No new insiders were created, nor has any change of control occurred, as a result of this private placement.

About Canadian Quantum

Canadian Quantum is actively pursuing oil and gas opportunities in Western Canada and continues to hold various interests in approximately 174,000 gross acres covered by four permits in the St. Lawrence Lowlands, Quebec Utica Shale Play.

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This news release may contain certain forward-looking information. All statements included herein, other than statements of historical fact, is forward-looking information and such information involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. A description of assumptions used to develop such forward-looking information and a description of risk factors that may cause actual results to differ materially from forward-looking information can be found in the Corporation's disclosure documents on the SEDAR website at www.sedar.com. The Corporation does not undertake to update any forward-looking information except in accordance with applicable securities laws.