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P R E S S R E L E A S E

May 23, 2008

Canadian Quantum Energy Corporation (CQM.H – NEX) (the “Company”) announces that a letter of intent to settle litigation between Fairlady Energy Inc and Junex Inc. regarding the Nicolet property, Permit #2002RS056, in Quebec. has been signed by the parties.

Under the settlement terms, the 22,000 hectare permit, located in the St. Lawrence Lowlands, will be returned to Fairlady and Junex Inc. will have the right to earn a 50% interest in the Utica Shales by drilling two exploration wells on the Permit within the next 18 months.

Upon the finalization of the terms of the above mentioned letter of intent, the Company will complete the 2004 transaction whereby the Company purchased the Fairlady Quebec properties (including this permit) subject to the litigation being resolved.

The Company will be pleased to have this litigation resolved, as the area has received considerable interest as of late due to the recent Utica shale drilling results released by Forest Oil.

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Per: “*Douglas J. Brett*”
President & CEO

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Forward-Looking Statements

Some of the statements in this news release contain forward-looking information, which involves inherent risk and uncertainty affecting the business of Canadian Quantum Energy (the “Company”). These statements relate to the finalization of the terms of the non-binding letter of intent regarding settlement of the litigation. They are based on an assumption that the terms will be finalized and the settlement will become binding.. Actual results may vary from those anticipated in such statements. The settlement may not be finalized, or may be finalized on terms materially different from those of the letter of intent.

The TSX Venture Exchange has neither reviewed nor approved and takes no responsibility for the contents of this release.