

NEWS RELEASE

Canadian Quantum Updates Utica Shale Play Activity In Quebec

CALGARY ALBERTA – October 1, 2010 Canadian Quantum Energy Corporation (“Canadian Quantum” / “the Company”) (TSX Venture Exchange - “CQM”) announces the following update of the Company’s ongoing activities in the Quebec Utica Shale Play.

The Gentilly No. 2 Hz was tested following the completion of the fracture stimulation program designed to evaluate the middle and lower sections of the Utica Shale. The well was stimulated in early July, 2010 with a total of five fracture stimulations planned and completed successfully. Two stimulations targeted the lower section of Utica Shale and three were placed in the middle section of the Utica Shale package.

Flow back commenced July 10th, 2010 with a flow rate of approximately 700 mcf/d at the end of the first 30 days. The well continues to flow at a rate of approximately 695 mcf/d.

Douglas Brett, President and CEO of Canadian Quantum, states “It appears to our technical group, that of the five fracture stimulations completed on the Gentilly No 2 Hz, the three that targeted the Middle Utica were successful in generating gas flow. The data appears to show that there was little contribution to the gas flow rate from the two fracs in the Lower Utica section. Considering the number of fracs completed in the Middle Utica, we are encouraged by the volumes and sustainability of the gas flow rates recorded during the flow test and feel that this area warrants further drilling in the future. We look forward to continuing to work with our industry partners as we develop our Utica Shale permits while working closely with the people residing in the St. Lawrence Lowlands, keeping them informed of our activities and conducting our operations in an environmentally responsible manner.”

Ste-Gertrude No. 1 Hz was drilled to a total measured depth of 3,170 meters in August of this year. The operator has recently advised that in order to optimize operational and cost efficiencies, it has decided not to contract the necessary completion and testing equipment this fall. The operator anticipates that the Ste-Gertrude No. 1 Hz will be stimulated and tested in the second quarter of 2011.

Canadian Quantum has a 3.75% working interest and a 0.75% Gross Over-riding Royalty in both the Gentilly and the Ste-Gertrude Projects which are located on the Company’s Gentilly Permit.

Canadian Quantum is active in the St. Lawrence Lowlands, Quebec Utica Shale Play holding various interests in approximately 174,000 gross acres covered by four permits.

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