

*"Exploring and developing
oil and gas properties around the world."*



QOIL(OTC BB)



Quest Oil
corporation

Quest Oil Corporation June, 2005 – Quest Oil to begin drilling Acadia North

To Our Valued Shareholders,

As many of you are aware, Quest Canada Inc., Quest Oil Corporation's wholly owned subsidiary, is about to launch development of the Acadia North Gas Project. Acadia North is the initial launch project for Quest Oil. The project was selected based on its reduced risk characteristics of proven reserves, substantial production in the area and the Project's close proximity to several distribution pipelines allowing immediate access to market.

The Acadia Project is located in southeast Alberta near the Saskatchewan border. Acadia North consists of two sections totaling 1280 gross acres overlying the vast Viking gas target. The Arneson Viking Pool is a shoreface sand deposit and oriented in a NE-SW direction. The pool has been encountered by four previously drill wells since 1972. The porous sand ranges from 30 feet to 46 feet thick and contains gas underlain by water. Pay zone thickness ranges from 4 feet to 12 feet with a proven and probable recoverable reserve of 8 BCF at a market value of \$24 million. According to Chapman Engineering of Calgary, Alberta when including the possible reserves identifies an underlying pool over twice the PUD with a value of \$45 million.

On May 20, 2005 Quest Oil completed and closed project financing for \$750,000 USD. These funds will allow for immediate application for licensing and permitting of the two Acadia sections. Quest Oil's operator, Transaction Oil and Gas Ventures has been retained to provide turnkey development through to tie-in. Survey crews are on site and over the next couple of weeks will determine drill site locations. Drill rigs at present are being scheduled for mid-June and within a two week period will have completed the two well drill program. Well depth is approximately 1,800 feet and within two days of active drilling target depth will be achieved. As the Acadia project progresses through completion and tie-in, it is expected with a successful drill program, we will be in cash flow within sixty days.

Quest Oil is actively searching and conducting economic reviews on several projects in North America and abroad. We have spent considerable amount of time and negotiations with governments in the Middle East and are close to entering into a full development program. Management will be releasing information on this endeavor within the next few weeks.

Quest Oil receives hundreds of emails requesting information regarding drill date, moving to a different exchange, updates of on additional target areas, financial data and more. We are a public company and even if we wanted to, we cannot give out any information that is not in the public domain to an individual. Please don't take our silence on these requests in the wrong manner. We simply cannot address each of you on a one by one basis. We will try to keep you informed as best we can through fair disclosure.

Quest Oil has come a very long way in the past year and we have only just begun. I hope you share the excitement that we here at Quest and our partners have for the events of this year. Our goal is to build on fundamentally sound projects with little downward risk and sound economic longevity even in the worst market.

I want to thank you for your confidence and understanding to all our shareholders, over the past year Quest management has been committed to our business plan in developing a producing oil and gas company. We will continue to mold this company and bring shareholder value. It has been nearly a year since we have been public, our share price has shown volatility but continues to show strength and liquidity as the company matures. It is my mandate to bring fundamentally sound value by leveraging our assets and developing Quest Oil in to a multi-million dollar annual producer.

Sincerely,

Cameron King MBA
CFO

At A Glance

- Ticker: OTCBB-QOIL
- 52- Week Range:
\$0.10 – \$1.75
- Shares Outstanding:
38 Million
- Public Float:
11 Million
- Market Capitalization:
\$4.56 Million
- Fiscal Year End:
March 31

**For additional
information on Quest
Oil Corporation, visit
our website:
www.questoil.com or
contact Mr. Darren
Hayes, Business
Development @ 1-866-
264-7668.**

Suite #600 - 2000 East Lamar Blvd
Arlington, Texas
United States 76006
Tel: 817-462-4091
Fax: 1-800-868-0402

Suite # 513 - 11215 Jasper Ave.
Edmonton, Alberta
Canada T5K 0L5
Tel: 866-264-7668
Fax: 1-800-868-0402

