

NEWS RELEASE

DATE: July 6, 2011

Oilsands Quest Files Form 10-K Annual Report

Calgary, Alberta – Oilsands Quest Inc. (NYSE Amex:BQI) ("Oilsands Quest", "OQI" or "the Company") announces that its Form 10-K Annual Report for the year ended April 30, 2011, (the "2011 10-K") was filed with the United States Securities and Exchange Commission on July 6, 2011, and is available online at www.sec.gov and www.sedar.com.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis presents Management's perspective of our business, financial condition and overall performance for the year ended April 30, 2011 as reported in the 2011 10-K. This information is intended to provide investors with an understanding of our past performance, current financial condition and outlook for the future. Our discussion and analysis relates to the following topics:

- Overview of Business
- Overview of 2011 Results and Outlook
- Liquidity and Capital Resources
- Changes in Financial Condition and Results of Operations
- Share Capital

Overview of Business

We are a U.S. public company based in Calgary, Alberta engaged in the exploration of oil sands permits and licences, located in Saskatchewan and Alberta, and developing Saskatchewan's first commercial oil sands discovery.

Oilsands Quest, together with its subsidiaries, is in the exploration and development stage and does not currently have any income from operating activities.

Overview of 2011 Results and Outlook

During the year ended April 30, 2011, the Company's activities included an exploration drilling program of 9 holes on lands in the Wallace Creek area, 16 core holes across Axe Lake reservoirs to improve the understanding of the overburden characteristics, a 40 km 2-D seismic program on the permits to the north and south of Axe Lake in Saskatchewan and the advancement of its pre-commercialization evaluation studies and reservoir test program on its Axe Lake discovery. We also expanded our environmental program consisting of monitoring and baseline assessment studies in anticipation of comprehensive Environmental Impact Assessment reports as part of the application for regulatory approval for development process in Alberta and Saskatchewan.

During the year ended April 30, 2011, we raised \$32.1 million, net of issuance costs, through private placement share issuances, an equity distribution agreement and proceeds of option

exercises to fund these activities and future programs.

Operations Summary:

Exploration Program

During the year ended April 30, 2011, we completed a five-well winter drilling program as a follow up to our successful drilling program of early 2010. The drilling focused on the western side of the Wallace Creek permit, which is adjacent to Cenovus' Telephone Lake and Grizzly Oil Sands' Firebag project areas.

Two of the wells drilled encountered significant quantities of bitumen in the McMurray formation to support a 16 per cent increase in contingent resource estimates. The previously-announced 11 well winter drilling program at Wallace Creek was condensed to five wells primarily due to the limited availability of drilling rigs.

We filed for and received approval for the third of three one-year extensions of our Saskatchewan oil sands permits.

During the year we relinquished our two northernmost land permits in Saskatchewan (permits PS000213 and PS000215) and on May 31, 2011, we relinquished an additional three Saskatchewan permits, PS00205, PS00206 and PS00212 as we focus our exploration and development opportunities to include only those lands that recent exploration activity has demonstrated to be prospective. Relinquishing these permits does not impact our resource estimates or development plans.

Axe Lake Area – Reservoir Development Activities

In July 2010, we drilled four wells to confirm the extent of the reservoir at Axe Lake and to satisfy our permit retention work obligations on the Saskatchewan permits. The objective of these wells was to provide additional information on the geology in the area and will not have a significant impact on our assessment of the resource in the Axe Lake area.

During the year ended April 30, 2011 we completed testing of the steam containment characteristics of the glacial till cap-rock layer that lies above the Axe Lake reservoir. The laboratory tests indicate that the glacial till cap likely will support the proposed SAGD pilot at Axe Lake at chamber pressures of between 1,750 to 2,500 kPa. These tests support our plan to use steam-assisted gravity drainage (SAGD), a proven oil sands recovery process, in spite of the different cap-rock characteristics at Axe Lake compared with similar projects further west.

We continued to process and interpret the 1,847 kilometres (1,149 miles) of 2-D and 3-D seismic data that we have at Axe Lake in order to correlate this information with the results of the overburden drilling program and the summer 2010 drilling program at Axe Lake. This interpretation of the seismic data and the correlation of the well information will be used to assist in the placement of the well pads for commercial development as well as mapping the glacial till overburden.

We filed a proposal to the Saskatchewan Ministry of Environment (SME) for approval to produce up to 30,000 barrels per day of bitumen using SAGD. Filing with the SME is the first step in a two-stage process to apply for approval of a commercial lease for oil sands development. This proposal provides the complete vision for the project, giving the regulator helpful context when approving testing activity and giving all stakeholders clarity around the long-term development plans. The second stage of the process consists of an application for commercial project approval to SMER that will be submitted following the successful completion of the SAGD pilot.

The proposed project includes components typical of SAGD operations such as multi-well production pads of horizontal well pairs, and a central processing and bitumen treatment facility that includes produced fluid separation, water recycling, steam generation and tank storage facilities. Options for site access, utility service corridors, bitumen transportation, electricity and natural gas supplies are also being evaluated.

The proposed pilot will consist of one 100 meter long horizontal well pair, with the upper well placed five meters below the glacial till cap, or overburden, and is designed to make use of the existing surface facilities. The SAGD pilot will demonstrate the steam containment properties of the glacial till cap and provide information essential for the front-end engineering design for the commercial development. Further activity on the pilot project has been suspended pending the necessary financing.

Abandonment and Reclamation Costs

We are responsible for compliance with terms and conditions of environmental and regulatory approvals and all laws and regulations regarding the abandonment of a project and reclamation of its lands at the end of its economic life, which abandonment and reclamation costs may be substantial. A breach of such legislation and/or regulations may result in the issuance of remedial orders, the suspension of approvals, or the imposition of fines and penalties, including an order for cessation of operations at the site until satisfactory remedies are made. As at April 30, 2011, we estimate the total undiscounted inflation-adjusted amount required to settle the asset retirement obligations in respect of the Company's wells and facilities is approximately \$44.3 million. This estimate includes the cost to re-abandon a number of wells at Axe Lake from the Company's early exploration core hole programs. During a review of our development plans and well licenses, we determined that a number of these core holes were not abandoned to meet our thermal development requirements or in accordance with regulatory requirements. We are also evaluating the core holes that are located outside the potential commercial development area and have included a portion of these costs in the re-abandonment liability based on performing the obligation over a 5 year period. The abandonment and reclamation estimate also includes the costs to reclaim the air strip, camp site, access roads and reservoir test sites which are being brought into income over a period of 1 to 30 years. The initial measurement of an asset retirement obligation is recorded as a liability at its fair value, with an offsetting asset retirement cost recorded as an increase to property and equipment or exploration expense.

Currently, the Company is working with the regulators to assess an issue relating to the re-abandonment of early exploration core holes. It is possible that the outcome of such assessment could result in cancellation of the permits if the Company does not comply with the governing regulations. Further, if the Company cannot remediate these core holes to industry standards, our ability to commercially develop the Axe Lake reservoir may be limited.

Outlook

Our reservoir development and exploration activities over the next few months will be focused on preparing to execute the SAGD pilot at Axe Lake, designing and executing a seismic program at Wallace Creek and working with SMER to convert our Axe Lake permits to a long-term lease. All of these plans are subject to our receipt of the necessary financing. See "Risks Related to Our Business - Due to our history of operating losses, we are uncertain that we will be able to maintain sufficient cash to accomplish our business objectives".

At Axe Lake, we are seeking to retain portions of PS00208 and PS00210 and convert them to leases. The permits are currently held under the Oil Shale Regulations, 1964. We have applied to SMER to convert these permits to licenses and then to leases under the terms of the Petroleum and Natural Gas Regulations, 1969. The outcome of these discussions is not certain.

We expect to relinquish the balance of our Axe Lake lands in Saskatchewan as we do not believe that the licenses to the south of the Axe Lake permits are prospective, either due to the presence of interbedded water in the reservoirs that would not allow for commercial development or lack of bitumen in the reservoirs in the licenses in the southern portion of our Saskatchewan lands. We expect to relinquish these licenses in August 2011.

Based on the drilling results at Wallace Creek and our knowledge of the regional geology, we believe there is good potential for that project area to support a commercial SAGD project. Further seismic work or delineation drilling is required to confirm this potential and retain certain portions of these permits.

After analysis of available drilling and seismic data, we have concluded that the lands in the south part of Raven Ridge on Permit No. 7006080098 are not prospective and we expect to relinquish this permit in August 2011. Relinquishing these lands will have no impact on the Company's current resource estimates or development plans.

The Company may offer and sell shares of common stock by way of "at-the-market" distributions on NYSE Amex, until January 18, 2012. Funds raised from the ATM program will be used for general corporate purposes. In addition, the Company intends to conduct a Rights Offering described above under the "Corporate" section.

There can be no assurance that the Rights Offering will result in the Company raising sufficient funds to carry out the exploration and development plans described above.

Liquidity and Capital Resources

At April 30, 2011, the Company held cash and cash equivalents totaling \$16.0 million (April 30, 2010 - \$18.6 million).

On May 10, 2010, the Company issued 10.5 million flow-through shares at \$1.00 CDN (\$0.995 USD) and 9.2 million common shares at \$0.85 USD per share for gross proceeds of \$18.6 million CDN (\$18.1 million USD) pursuant to a non-brokered private placement.

On November 5, 2010, the Company completed a public offering of 20.8 million common shares at a price of \$0.45 USD per share and 7.1 million flow-through shares at a price of \$0.51 CDN (\$0.50 USD) per share for total gross proceeds of approximately \$13.4 million CDN (\$12.9 million USD).

As of January 17, 2011, the Company entered into an equity distribution agreement (“Agreement”) with Knight Capital Americas, L.P. (“KCA”), a subsidiary of Knight Capital Group, Inc. Under the terms of the Agreement, the Company may offer and sell shares of common stock by way of “at-the-market” (ATM) distributions on NYSE Amex, up to a maximum of US\$20 million over a period of 12 months, through KCA as sales agent. The shares are distributed at market prices prevailing at the time of each sale and the timing, price and number of shares sold are at our discretion. The number of shares sold on any given day is expected to be relatively small compared to the total volume of shares traded. As of April 30, 2011, 5,537,137 shares have been distributed under this arrangement for gross proceeds of \$3.1 million. Funds raised from the ATM program are used to finance general corporate purposes.

During the year ended April 30, 2011, the Company expended \$30.4 million on operating activities and \$3.0 million on property and equipment. Management anticipates that the Company will be able to fund its activities at a reduced level through January 2012 with its cash and cash equivalents as at April 30, 2011. Accordingly, there is substantial doubt about our ability to continue as a going concern and without additional funding, we may not be able to maintain operations beyond that date. Additional financing will also be required if our activities are changed in scope or if actual costs differ from estimates of current plans. To fund future operations, we intend to conduct a Rights Offering under which the shareholders would be given the right to purchase additional shares in the Company based on their pro-rata share ownership. The proceeds from a Rights Offering will be used to continue with the delineation and development of the assets (as described more fully in the Outlook section), and for general corporate purposes. Our development strategy will also consider other sources of financing, asset sales or seeking partners on a joint venture basis on our specific projects to fund the development of such projects in a timely and responsible manner.

There can be no assurance that a Rights Offering will result in the Company raising sufficient funds to carry out its exploration and development plans. There is also no assurance that debt or equity financing or joint venture partner arrangements will be available to us on acceptable terms, if at all, to meet these requirements. The Company has no revenues, and its operating results, profitability and the future rate of growth depend solely on management’s ability to successfully implement the business plans and on the ability to raise additional capital.

Changes in Financial Condition and Results of Operations

During the year ended April 30, 2011, the primary focus of the Company was the undertaking of an exploration drilling program in the Wallace Creek area and Axe Lake reservoir to improve the understanding of the overburden characterization, the advancement of pre-commercialization evaluation studies and reservoir test program at Axe Lake and the evaluation of strategic alternatives for enhancing shareholder value.

During the year ended April 30, 2010, the primary focus of the Company was on the commissioning of the facilities at Test Site 1, the implementation of an overburden characterization study to test the potential for the overburden to act as a cap rock for steam containment capacity within the reservoir and the filing of key regulatory submissions to advance the development of its Axe Lake oil sands project.

During the year ended April 30, 2009, the primary focus of the Company was on the engineering and construction of the testing facilities at Test Sites 1 and 3, the continued delineation of the Axe Lake and Raven Ridge discoveries and completing the acquisition of all the remaining rights of the external joint venture partners to the Triple 7 Joint Venture Agreement.

Net loss

Year ended April 30, 2011 as compared to year ended April 30, 2010. The Company experienced a net loss of \$316.2 million or \$0.91 per share for the year ended April 30, 2011 as compared to a net loss of \$64.5 million or \$0.21 per share for the year ended April 30, 2010. The increase in the net loss in the current period as compared to the prior period is primarily due to the recording of a valuation allowance for impairment on the Company's undeveloped properties for \$339.2 million and partially offset by a reduction in exploration activity, a reduction in stock-based compensation expense and decreased corporate expenses resulting from downsizing activities. The net loss was also increased by higher depreciation and accretion charge due to the recognition of a re-abandonment obligation on April 30, 2010, a reduction in the deferred income tax benefit and foreign exchange gain.

Year ended April 30, 2010 as compared to year ended April 30, 2009. The Company experienced a net loss of \$64.5 million or \$0.21 per share for the year ended April 30, 2010 as compared to a net loss of \$89.1 million or \$0.34 per share for the year ended April 30, 2009. The decline in the net loss in the current year as compared to the prior year is due to the reduction in exploration activity, a reduction in stock-based compensation expense and a foreign exchange gain resulting from holding Canadian funds with an appreciation of the Canadian dollar versus the U.S. dollar which were offset by increased asset retirement obligations due to the re-abandonment liability identified during the current year. The Company expects to continue to incur operating losses and will continue to be dependent on additional equity or debt sales and/or property joint ventures to fund its activities in the future.

Exploration costs

Year ended April 30, 2011 as compared to year ended April 30, 2010. Exploration costs for the year ended April 30, 2011 were \$21.9 million (2010 — \$50.2 million). Exploration costs in the current year relate to exploration drilling at Wallace Creek and Axe Lake, a seismic program at Axe Lake and additional environmental work and pre-commercialization evaluation studies to advance the reservoir test program at Axe Lake. Exploration costs also include \$10.2 million of cost revisions related to asset retirement obligations of which the majority relates to the re-abandonment of a certain number of core holes at Axe Lake. The Operations Summary above provides a summary of the exploration activities conducted in the year ended April 30, 2011.

Year ended April 30, 2010 as compared to year ended April 30, 2009. Exploration costs for the year ended April 30, 2010 were \$50.2 million (2009 — \$72.0 million). Exploration costs in the current year relate to drilling, seismic, environmental, engineering and construction costs associated with Test Sites 1 and 3 on our Saskatchewan and Alberta permits. Exploration costs also include \$13.8 million of additional asset retirement obligations identified during the current year in relation to the re-abandonment of a certain number of core holes at Axe Lake. The Operations Summary above provides a summary of the exploration activities conducted in the year ended April 30, 2010.

General and administrative

Corporate

Year ended April 30, 2011 as compared to year ended April 30, 2010. General and administrative expenses settled with cash for the year ended April 30, 2011 were \$17.3 million (2010 — \$17.0 million). Expenditures for the year ended April 30, 2011 consist of salaries (\$8.3 million), legal and other professional fees (\$4.7 million) and general office costs (\$4.3 million). Expenditures for the year ended April 30, 2010 consist of salaries (\$9.4 million), legal and other professional fees (\$2.6 million) and general office costs (\$5.0 million). The decrease in salaries and wages is due to a reduction in salary expenses resulting from downsizing activities partially offset by the recognition of costs for employee benefit arrangements related to a termination plan in connection with the review of strategic alternatives. The increase in professional fees during the year is related to additional costs incurred as part of the strategic alternatives review process. The decrease in general office costs during the year ended April 30, 2011 is mainly caused by downsizing activities. At April 30, 2011, there were 17 employees compared to 46 employees at April 30, 2010.

Year ended April 30, 2010 as compared to year ended April 30, 2009. General and administrative expenses settled with cash for the year ended April 30, 2010 were \$17.0 million (2009 — \$12.6 million). General and administrative expenses in the year ended April 30, 2010 consist of salaries (\$9.4 million), legal and other professional fees (\$2.6 million) and general office costs (\$5.0 million). General and administrative expenses in the year ended April 30, 2009 consist of salaries (\$5.7 million), legal and other professional fees (\$2.7 million) and general office costs (\$4.2 million). Increases in costs in year ended April 30, 2010 as compared to the prior year are mainly associated with severance payments.

Stock-based compensation

Year ended April 30, 2011 as compared to year ended April 30, 2010. Stock-based compensation expense for the year ended April 30, 2011 was \$1.3 million (2010 - \$5.6 million) and consists of stock-based compensation related to the issuance of options to directors, officers and employees. The decrease during the year ended April 30, 2011 is due to fewer options remaining to vest including options forfeited caused by a reduction in the number of employees. A total of 6.0 million options were forfeited during the year ended April 30, 2011. As at April 30, 2011, the Company has unrecognized stock-based compensation costs of \$0.4 million related to unvested options which will be recognized in future periods as the options vest. The average fair value of the stock options using either the Black-Scholes valuation model or the trinomial valuation model that were issued during the year ended April 30, 2011 was \$0.51 (2010 - \$0.43)

Year ended April 30, 2010 as compared to year ended April 30, 2009. Stock-based compensation for the year ended April 30, 2010 was \$5.6 million (2009 — \$17.5 million). Stock-based compensation expense for the year ended April 30, 2010 consists of stock-based compensation related to the issuance of options to directors, officers and employees. The decrease during the year ended April 30, 2010 compared to the prior year is the result of 6.9 million options forfeited due to a reduction in the number of employees that was greater than the anticipated forfeiture rate. As at April 30, 2010, the Company has unrecognized stock-based compensation costs of \$1.7 million related to unvested options which will be recognized in future periods as the options vest. The average fair value of the stock options using either the Black-Scholes valuation model or the trinomial valuation model that were issued during the year ended April 30, 2010 was \$0.43 (2009 - \$1.93).

Foreign exchange loss (gain)

Year ended April 30, 2011 as compared to year ended April 30, 2010. Foreign exchange loss of \$0.4 million (2010 — gain of \$5.1 million) resulted from holding less Canadian funds in the parent company during the current year compared to the same period last year with increased volatility of the Canadian dollar against the U.S. dollar.

Year ended April 30, 2010 as compared to year ended April 30, 2009. Foreign exchange gain of \$5.1 million (2009 — loss of \$4.8 million) resulted primarily from holding Canadian dollar cash and cash equivalents funds in the parent company with a US dollar functional currency when the value of the Canadian dollar increased compared to the U.S. dollar.

Depreciation and accretion

Year ended April 30, 2011 as compared to year ended April 30, 2010. Depreciation and accretion expense of \$4.5 million (2010 — \$2.5 million) relates to camp facilities, equipment and corporate assets which are being depreciated over their useful lives of 3 to 5 years. Accretion expense relates to the asset retirement obligation recognized on the re-abandonment of a certain number of core holes at Axe Lake and on the airstrip, camp site, access roads, and reservoir test sites which are being brought into income over a period of 1 to 30 years. The increase during the

year ended April 30, 2011 is mainly due to the additional accretion on asset retirement obligation resulting from the re-abandonment of a certain number of wells at Axe Lake that was identified in the previous fiscal year.

Year ended April 30, 2010 as compared to year ended April 30, 2009. Depreciation and accretion expense of \$2.5 million (2009 — \$1.6 million) relates to camp facilities, equipment and corporate assets which are being depreciated over their useful lives of 3 to 5 years. Accretion expense relates to the asset retirement obligation recognized on the airstrip, camp site, access road, and the reservoir test sites which are being brought into income over a period of 1 to 30 years. The change from the year ended April 30 2009 to the year ended April 30, 2010 relates to the increase in assets held during the period. Additions to the property and equipment for the year ended April 30, 2010 totaled \$1.8 million.

Impairment of property and equipment

Year ended April 30, 2011 as compared to year ended April 30, 2010. The impairment of \$340.3 million (2010- \$6.4 million) is comprised of a \$296.2 million impairment on the Saskatchewan Oil Sands permits for Axe Lake, a \$27.2 million impairment and an \$8.4 million impairment on the Alberta Oil Sands permits at Raven Ridge and leases at Eagles Nest which were recorded during the three months ended April 30, 2011. We did not receive any firm proposals during the formal phase of the strategic alternative review process indicating impairment in the value of these properties at April 30, 2011. We estimated the fair value of each property by obtaining, when available, information about recent market transactions and calculating the property's risk adjusted net present value. The Company determined that the carrying value of these properties exceeded their fair value and recorded a valuation allowance. The impairment provision also includes a \$2.5 million loss on the Saskatchewan Oil Sands licenses at Axe Lake due to their low prospectivity and their expected relinquishment on August 12, 2011 and a \$4.9 million provision on the Pasquia Hills property. Since the Company has no plan to explore and develop the Pasquia Hills property considering the considerable time, effort and resources required, a full impairment of the oil shale property was recognized and the remaining carrying value was written down to zero during the current fiscal year. Impairment is also comprised of a provision of \$1.1 million on leasehold improvements and office equipment related to our Calgary office following an assessment of their carrying value which was deemed to be not recoverable at April 30, 2011.

Year ended April 30, 2010 as compared to year ended April 30, 2009. The impairment of \$6.4 million (2010- \$nil) related to the Pasquia Hills property after considering the expected proceeds from their disposal following the announcement of the sale of the oil shale assets in January 2010.

Interest income

Year ended April 30, 2011 as compared to year ended April 30, 2010. Interest income for the year ended April 30, 2011 amounted to \$0.1 million (2010 — \$0.1 million). Interest income is earned because the Company pre-funds its activities and the resulting cash and cash equivalents on hand are invested in high interest savings accounts. Interest income during the current fiscal

year is comparable to the previous year reflecting the decrease in cash and cash equivalents offset by an increase in market rates over the intervening period.

Year ended April 30, 2010 as compared to year ended April 30, 2009. Interest income for the year ended April 30, 2010 amounted to \$0.1 million (2009 — \$1.1 million). The decrease in interest income for the year ended April 30, 2010 as compared to the prior year reflects the decrease in short term investments and the decrease in market interest rates over the intervening year.

Income tax benefit

Year ended April 30, 2011 as compared to year ended April 30, 2010. The deferred income tax benefit for year ended April 30, 2011 was \$69.2 million (2010 — \$12.0 million). The increase in the deferred tax benefit for the year ended April 30, 2011 compared to the prior year is mainly due to the tax benefit associated with the impairment on undeveloped properties amounting to \$65.9 million. The deferred tax benefit otherwise reported is reduced by the impact of renouncing \$14.2 million of flow-through expenditures corresponding to a reduction of \$1.9 million in tax benefit, and the recording of \$4.6 million of asset retirement liabilities settled during the year which resulted in the reversal of \$1.2 million of tax benefits previously recognized on asset retirement obligations. This decrease in the deferred tax benefit is partially offset by \$2.6 million of tax benefits related to \$10.2 million of additional asset retirement obligations that were recorded during the year.

Year ended April 30, 2010 as compared to year ended April 30, 2009. The deferred income tax benefit for year ended April 30, 2010 was \$12.0 million (2009 — \$18.2 million). The decrease in the deferred tax benefit for the year ended April 30, 2010 compared to the prior year is mainly due to a reduction in exploration costs incurred. The deferred tax benefit otherwise reported is reduced by the impact of flow through expenditures. The net impact for the year ended April 30, 2010 was a reduction of the deferred tax benefit in the amount of \$3.5 million (2009 — \$4.7 million).

Share Capital

At June 30, 2011, the Company had 348,495,556 shares of common stock issued and outstanding and 21,765,744 options to acquire shares of common stock. The options have a weighted average exercise price of \$2.85 per share.

At June 30, 2011, OQI's diluted shares of common stock outstanding was 348,495,556 shares issued and outstanding plus 21,765,744 options, plus Exchangeable Shares and options to acquire exchangeable shares which can be exchanged into 19,540,736 shares, plus 1,388,567 shares reserved for settlement with creditors of a former subsidiary.

An Exchangeable Share provides the holder with economic terms and voting rights which are, as nearly as practicable, equivalent to those of a share of OQI common stock. The Exchangeable Shares are represented for voting purposes in the aggregate by one Preferred Share. The one Preferred Share represents a number of votes equal to the total outstanding Exchangeable Shares

on the applicable record date for the vote submitted to OQI shareholders.

Cautionary statement about forward-looking statements

This news release includes certain statements that may be deemed to be “forward-looking statements.” All statements, other than statements of historical facts, included in this news release that address activities, events or developments that our management expects, believes or anticipates will or may occur in the future are forward-looking statements. Such forward-looking statements include discussion of such matters as:

- the amount and nature of future capital, development and exploration expenditures;
- the timing of exploration and development activities;
- potential reservoir recovery optimization processes; and
- business strategies and development of our business plan and drilling programs.

Forward-looking statements are statements other than relating to historical fact and are frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “potential”, “prospective” and other similar words or statements that certain events or conditions “may” “will” or “could” occur. Forward-looking statements such as references to Oilsands Quest’s drilling program, geophysical programs, reservoir field testing and analysis program, preliminary engineering and economic assessment program for a first commercial project, and the timing of such programs are based on the opinions and estimates of management and the Company’s independent evaluators at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements, which include but are not limited to risks inherent in the oil sands industry, regulatory and economic risks, land tenure risks, lack of infrastructure in the region in which the company’s resources are located and risks associated with the company’s ability to implement its business plan. The Company undertakes no obligation to update forward-looking information if circumstances or management’s estimates or opinions should change, except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements.

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