

NEWS RELEASE

DATE: November 14, 2008

Oilsands Quest Provides Operational Update and Announces Presentation at Canaccord Global Energy Conference

Calgary, Alberta -- Oilsands Quest Inc. (Amex: BQI) announces an update on its reservoir test program, its liquidity and its participation at the Canaccord Global Energy Conference in Miami, Florida.

Axe Lake Discovery – Reservoir Test Program

Oilsands Quest's reservoir test program is proceeding at its three sites within the Axe Lake Discovery area in northwest Saskatchewan. Drilling and construction continue on Test Site 1 and the heating test program at Test Site 3 has commenced.

“The start-up of Test Site 3, which uses electric heat, is just the first step towards capturing critical effective reservoir properties at a field scale level to calibrate our reservoir simulator and maximize the efficiency of the steaming tests on the vertical test holes at Test Site 1,” said Jamey Fitzgibbon, President and Chief Operating Officer “We are pleased with our overall progress and results to-date and we will continue to effectively execute our long-term plans as well as continue to demonstrate financial prudence in containing our expenditures to meet these objectives.”

Test Site 3

To date, two vertical holes have been drilled and the supporting infrastructure has been constructed. One vertical test hole is equipped with an electric heater to provide heat to the reservoir. The second test hole is equipped with sensors to allow for measurement of the heat transfer and mobilization of the bitumen. The program is designed as a short-term heating program intended to capture critical reservoir properties. Heating of the reservoir was initiated on October 25 and results to date are in line with expectations. The data gathered will provide Oilsands Quest with the necessary in-situ reservoir performance data to be used for simulation modeling in preparation for initial steam injection at Test Site 1.

Test Site 1

The drilling of 8 vertical test holes, including two water source wells is now complete. Procurement of key equipment and construction of water treatment, steam generation and extraction collection facilities to support related Test Site activities is near completion. In addition, we have now completed drilling of the three 750-metre horizontal wells (300 metres at the bottom of the reservoir) which will be utilized in Phase Two of our test programs at Test Site 1. First steam injection at Test Site 1 is expected to begin in early 2009. Water and steam will be injected into the reservoir to place heat at the bottom of the McMurray formation using the vertical test holes in order to mobilize the bitumen.

Test Site 2

At Test Site 2, front-end engineering and design work on a facility for tests using mobilization agents other than steam is nearing completion.

Liquidity

Oilsands Quest is currently focused on effectively conducting the vertical hole test program (Phase One) at Test Site 1, maintaining capital discipline with a focus on capital preservation while maintaining an aggressive exploration program. At the present time, the Company believes it has sufficient funding to effectively conduct the planned vertical hole test program at Test Site 1, to meet its flow-through renunciation commitments resulting from the equity financing completed in early October and continuing to maintain its core operations for the next 18 months.

Canaccord Global Energy Conference

Christopher H. Hopkins, Chief Executive Officer of Oilsands Quest will be presenting a Corporate Update on the company's current activities and plans at Canaccord's Global Energy Conference on Tuesday, November 18th, 2008. The presentation will be webcast and the presentation can be viewed at www.oilsandsquest.com

About Oilsands Quest

Oilsands Quest Inc. (www.oilsandsquest.com) is aggressively exploring Canada's largest holding of contiguous oil sands permits and licences, located in Saskatchewan and Alberta, and developing Saskatchewan's first global-scale oil sands discovery. It is leading the establishment of the province of Saskatchewan's emerging oil sands industry.

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Forward-looking information

Except for statements of historical fact relating to Oilsands Quest Inc., this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "potential", "prospective", "develop" 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 programs, exploration programs, geophysical programs, reservoir testing and analysis program, 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, 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. There is no certainty that it will be commercially viable to produce any portion of the company's oil sands resources. There are uncertainties inherent in forward-looking information, including factors beyond Oilsands Quest's control, and no assurance can be given that the programs will be completed on time, on budget or at all. Oilsands Quest 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. The risks and uncertainties set forth above are not exhaustive. Readers should refer to Oilsands Quest's current annual report on Form 10-K and other document filings, which are available at www.sedar.com and at www.sec.gov for a detailed discussion of these risks and uncertainties and details regarding the location and extent of Oilsands Quest's land holdings.