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August 13, 2014

Final Distribution to Shareholders of Oilsands Quest Inc. and Cease Trade and Settlement of Shares
CUSIP: 678046103

As you are likely aware, Ernst and Young Inc. was appointed monitor ("Monitor") of Oilsands Quest Inc. ("OQI") under the Companies Creditors' Arrangement Act ("CCAA") pursuant to an Order of the Court of Queen's Bench of Alberta (the "Alberta Court") dated November 29, 2011. On June 28, 2012 the Alberta Court granted a further Order which expanded the powers of the Monitor to include, *inter alia*, to operate and carry on the business of OQI. Copies of these court orders can be found on the Monitor's website at www.ey.com/ca/oilsandsquest.

On January 29, 2013, the Alberta Court granted an order authorizing OQI to convene a creditors' meeting on February 21, 2013 (the "Creditors' Meeting") to consider and vote on the plan of compromise and arrangement (the "Plan"). The Creditors' Meeting was held on February 21, 2013 and at that meeting the creditors voted overwhelmingly in favor of the Plan. The Final Sanction Order had been recognized in the United States and Plan Implementation occurred on May 3, 2013.

The Monitor has now resolved all Disputed Claims and substantially completed all administrative matters related to OQI and is in a position to make a final distribution to OQI shareholders. The final distribution order was granted by the Alberta Court on March 11, 2014 and all appeal periods have now expired.

On July 22, 2014, the Alberta Court granted an order (the "Payment Order") authorizing the payment of the final distribution to shareholders in accordance with Section 7.5 of the Plan. On July 24, 2014, the U.S. District Court for the Southern District of New York granted an order (the "U.S. Payment Order") giving full force and effect to the Payment Order in the United States.

In accordance with the U.S. Payment Order, the Payment Order and Section 7.5 of the Plan, the final payment to holders of Oilsands Quest Inc. securities, CUSIP 678046103, held through The Depository Trust Company, will occur on Friday, September 5, 2014. Such payment shall be made to the holders of record as of the close of business on Thursday, August 21, 2014 (the "Record Date") which, in accordance with the Plan, is 10 business days prior to the date of the final distribution. Additionally, the final distribution will be based upon presentation of the securities.

IN ADDITION, IMMEDIATELY UPON THE CLOSE OF BUSINESS ON THE RECORD DATE, THE SHARES OF OILSANDS QUEST INC. WILL NO LONGER BE ABLE SETTLE THROUGH THE DEPOSITORY TRUST COMPANY. THE ISSUER IS INSTRUCTING THE DEPOSITORY TRUST COMPANY TO ESTABLISH THE NECESSARY "CHILLS" TO PREVENT ANY TRADING OR TRANSFERS OF THE SECURITY UPON CLOSE OF BUSINESS ON THE ESTABLISHED RECORD DATE.

Capitalized terms not defined in this notice are as defined in the Initial Order, the Plan and the Creditors' Meeting Order.

If you have any questions, please contact the Monitor as follows:

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Yours Truly,

ERNST & YOUNG INC.
in its capacity as Monitor of Oilsands Quest Inc.
and not in its personal or corporate capacity

Neil Narfason, CA, CIRP, CBV
Senior Vice-President