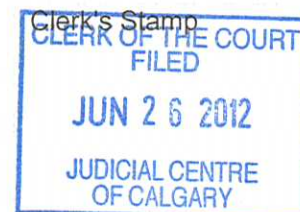


COURT FILE NUMBER 1101-16110
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



APPLICANTS **IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, RSC
1985, c C-36, AS AMENDED**

**AND IN THE MATTER OF OILSANDS QUEST
INC., OILSANDS QUEST SASK INC.,
TOWNSHIP PETROLEUM CORPORATION,
STRIPPER ENERGY SERVICES INC.,
1291329 ALBERTA LTD., OILSANDS QUEST
TECHNOLOGY INC., WESTERN
PETROCHEMICALS CORP. and 1259882
ALBERTA LTD.**

DOCUMENT **AFFIDAVIT
(Stay Extension, Expansion of Monitor's
Powers, Claims Procedure)**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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File No. 196023

**Affidavit of Garth Wong
Sworn June 25, 2012**

I, Garth Wong, of the City of Calgary, in the Province of Alberta, President and Chief Executive Officer, MAKE OATH AND SAY THAT:

1. I am the President and Chief Executive Officer of Oilsands Quest Inc. ("**OQI**"), which is the 100% parent of Township Petroleum Corporation, ("**TPC**"), 1291329 Alberta Ltd. ("**129**"), Oilsands Quest Technology Inc. ("**Technology**"), and Oilsands Quest Sask Inc. ("**Sask**") (which is in turn the 100% parent of Stripper Energy Services Inc. ("**Stripper**")), Western Petrochemicals Corp. ("**WPC**") and 1259882 Alberta Ltd. ("**125**") (BQI, Sask, Stripper, Township, 129, WPC, 125 and Technology shall hereinafter be referred to collectively as "**Oilsands Quest**"). As such I have personal knowledge of the facts and matters deposed

to herein except where stated to be based on information and belief, and where so stated I do verily believe the same to be true.

2. I swear this Affidavit supplementary to the Affidavits I have previously sworn in this action, including my Affidavits sworn on November 28, 2011 (the "**November 2011 Wong Affidavit**"), January 5, 2012 (the "**January 2012 Wong Affidavit**"), February 8, 2012 (the "**February 2012 Wong Affidavit**") and May 7, 2012 (the "**May 2012 Wong Affidavit**"), each filed herein. Terms not otherwise defined herein shall have the same meaning as they had in the November 2011 Wong Affidavit, the January 2012 Wong Affidavit, the February 2012 Wong Affidavit and the May 2012 Wong Affidavit.

Stay Extension

3. Oilsands Quest seeks a further extension of the stay period which was granted in the November 29, 2011 Initial Order (the "**Initial Order**") and amended by the Amended and Restated Initial Order dated February 16, 2012 (the "**Amended and Restated Initial Order**"), and as extended by further Orders of this Court, until and including September 28, 2012.
4. Oilsands Quest believes that circumstances exist that make this extension of the stay period appropriate and that Oilsands Quest has acted and is acting in good faith and with due diligence.
5. From the date of the Initial Order, Oilsands Quest has cooperated with Ernst & Young Inc. in its capacity as the Court appointed Monitor (the "**Monitor**").
6. Oilsands Quest has acted in cooperation with TD Securities Inc. ("**TD Securities**") to implement and pursue a sales and solicitation process (the "**Solicitation Process**") in accordance with the Order of this Court dated January 11, 2012 (the "**Solicitation Order**").
7. For the past several months Oilsands Quest has been endeavouring to find investors to acquire, restructure or recapitalize the Company's business. The deadline which was established by the Solicitation Order for bids was, in consultation with the Monitor, extended by Oilsands Quest to April 27, 2012.
8. By April 27, 2012 various bids were, through the Solicitation Process, received by TD Securities from potential investors. However, none of these bids were, when received, in a form that Oilsands Quest believed would result in a sale or investment that would be in the best interests of Oilsands Quest, its stakeholders and the within CCAA restructuring proceedings.

9. On May 11, 2012, the Court granted a further stay of proceedings until and including June 29, 2012.
10. Oilsands Quest believes that one or more of the bids (the "**Bids**") which were received through the Solicitation Process could, if the subject of further negotiation, be capable of being brought before the Court for approval. Negotiations with various of the bidders identified through the Solicitation Process have been conducted since the receipt of the Bids, and are ongoing with a view to finalizing the terms of the bid and the structure of the transaction being proposed. As at the date of this Affidavit, Oilsands Quest, through TD Securities, is in ongoing discussions with more than one prospective bidder and anticipates being in a position to sign a Letter Of Intent, followed by a definitive agreement, in the near future.
11. Oilsands Quest believes that a further extension of the stay period established by the Initial Order and the Amended and Restated Initial Order is required in order to conclude these negotiations and in order to allow Oilsands Quest to consider which, if any, of the bids ought to be accepted, and then to be brought to this Court for approval, and ultimately closed.

Expansion of Monitor's Powers

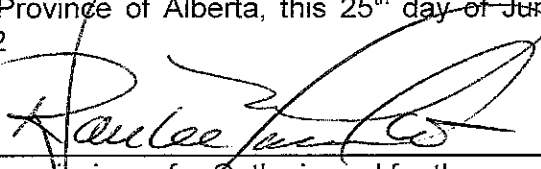
12. Oilsands Quest has been engaged with its advisors to investigate means by which its ongoing operating costs might be reduced. In view of the nature of the Bids currently being considered, Oilsands Quest and the Monitor have considered transferring some of the responsibility for controlling Oilsands Quest's operation to the Monitor in an effort to reducing Oilsands Quest's operating costs.
13. The Monitor has agreed to this expansion of its powers, and to assume the power for such matters as causing Oilsands Quest to take such steps as may be necessary to close the transaction (the "**Transaction**") which is contemplated by the successful Bid, taking possession of bank accounts, taking possession of the books and records of Oilsands Quest, and the other matters contemplated by the form of Order which is filed and served in conjunction with this Affidavit.
14. Oilsands Quest and its board of directors believes that, assuming this Expansion of Monitor's Powers Order is granted, the interests of Oilsands Quest and its stakeholders will be best served by the Monitor's oversight, and the Oilsands Quest Board of Directors would no longer have a necessary role to play in connection with the Transaction and other affairs of Oilsands Quest. Oilsands Quest therefore anticipates that the Oilsands Quest Board of Directors will resign once the Expansion of Monitor's Powers Order is granted.

15. Moreover, once the Monitor has assumed responsibility for the matters set out in the Expansion of Monitor's Powers Order, it is anticipated that the Monitor may elect to terminate the employment of some or all of the employees and officers of Oilsands Quest, and to retain as consultants such persons as the Monitor may consider necessary or advisable.

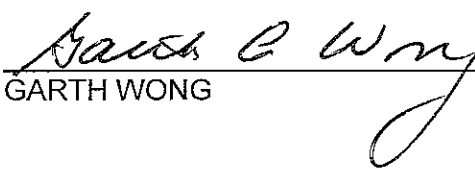
Claims Procedure

16. In anticipation of the closing of the Transaction, it will be necessary for Oilsands Quest and the Monitor to have a definitive understanding of the totality of claims against Oilsands Quest so that the proceeds of the Transaction could be distributed to such creditors or such creditors would be in a position to vote on a Plan to distribute such proceeds.
17. Oilsands Quest believes, as a result of advice which it has received from the Monitor and its advisors, that it would be appropriate to institute a claims procedure in order to allow Oilsands Quest and the Monitor to determine, evaluate, and assess the validity and amount of creditor claims against Oilsands Quest, and in particular, claims against OQI, Sask, 129 and TPC.
18. If such a claims procedure is instituted at this time, Oilsands Quest and the Monitor will be in a position to distribute any proceeds arising from the Transaction in a fair, equitable and timely manner.
19. I make this Affidavit in support of an application by Oilsands Quest for the following:
- (a) an Order for the extension of the stay of proceedings in this matter;
 - (b) an Order for the expansion of the Monitor's powers in these proceedings; and
 - (c) an Order establishing a procedure for the assessment and determination of the validity, nature and amount of the claims of creditors against certain of the Oilsands Quest entities, being OQI, Sask, 129 and TPC.

SWORN before me at the City of Calgary, in)
the Province of Alberta, this 25th day of June,)
2012)


A Commissioner for Oaths in and for the
Province of Alberta

RANDAL S. VAN de MOSSELAER
Barrister & Solicitor


GARTH WONG