Form 27
[Rules 6.3 and 10.52(1)]

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 AMDENDED** **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	**APPLICATION BY ERNST & YOUNG INC., IN ITS CAPACITY AS RECEIVER** **(Re: Distribution and Discharge)**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Josef G.A. Krüger, Q.C. Borden Ladner Gervais LLP 1900, 520 3rd Ave. S.W. Calgary, AB T2P 0R3 Telephone: (403) 232-9563 Facsimile: (403) 266-1395 Email: jkruger@blg.com File No. 413255-000037

CLERK OF THE COURT
FILED
JAN 29 2013
JUDICIAL CENTRE
OF CALGARY

NOTICE TO RESPONDENTS

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Judge.

To do so, you must be in Court when the application is heard as shown below:

Date	January 29, 2013
Time	2:30 p.m.
Where	Court of Queen's Bench
Before Whom	The Honourable Madam Justice K. Horner

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. An Order authorizing and directing Ernst & Young Inc., in its capacity as the Receiver (the "Receiver") of Oilsands Quest Sask Inc., 1291329 Alberta Ltd. and Township Petroleum Corporation (collectively, the "Debtors"), to distribute all the assets of the Debtors in accordance with the proposed distributions set out in the Receivers' First Report dated January 22, 2013.

2. An Order approving the fees and disbursements incurred by the Receiver.

3. An Order discharging the Receiver effective upon the Receiver making final distribution of the assets of the Debtors pursuant to paragraph 1 above.

Grounds for making this application:

4. OQI is a publicly traded corporation incorporated in Colorado, United States of America, and trading on the New York Stock Exchange under the trading symbol "BQI". Trading in OQI's shares have been suspended by the New York Stock Exchange.

5. OQI is the 100% parent of Township Petroleum Corporation, 1291329 Alberta Ltd., Oilsands Quest Technology Inc., Oilsands Quest Sask Inc., Western Petrochemicals Corp., and 1259882 Alberta Ltd. Oilsands Quest Sask Inc. is in turn the 100% parent of Stripper Energy Services Inc.

6. On November 29, 2011 OQI, Oilsands Quest Sask Inc., Oilsands Quest Technology Inc., 1291329 Alberta Ltd., Stripper Energy Services Inc. and Township Petroleum Corporation sought and obtained protection from their creditors under the CCAA pursuant to the Initial Order.

7. On December 20, 2011 Western Petrochemicals Corp. and 1259882 Alberta Ltd. were added to the CCAA proceedings.

8. Pursuant to the Initial Order, Ernst & Young Inc. was appointed the Monitor.

9. OQI was a development stage company which held certain permits, licenses and leases in Alberta and Saskatchewan allowing it to explore and develop natural resource properties.

10. On January 11, 2012 the Court approved a Solicitation Process to solicit offers to acquire, restructure or capitalize OQI's business. Pursuant to the Solicitation Process and subsequent Orders by the Court, all of OQI's assets have been sold.

11. Oilsands Quest Sask Inc., 1291329 Alberta Ltd, and Township Petroleum Corporation respectively owe OQI $129,048,580.88, $10,253,374.87, and $8,558,037.60. Oilsands Quest Sask Inc. owes Township Petroleum Corporation $4,253,601.66, 1291329 Alberta Ltd. $7,969,555.51 and Oilsands Quest Technology Inc. $40,867.15.

12. On November 29, 2012, the Debtors were placed in receivership by the Court, and Ernst & Young Inc. was appointed as the Receiver (the "Receivership Order").

13. The Receiver has liquidated the assets of the Debtors as more fully described in the Receivers' First Report.

14. The Debtors have no creditors other than inter-company debts described in paragraph 9 above.

15. OQI intends filing a Plan of Compromise and Arrangement. The intended Plan anticipates including in the distributions to creditors and shareholders, the payments to be received by OQI from the Debtors.

16. Should the Court authorize the Receiver to make the distributions aforesaid to OQI, the Receiver will have complied with all its duties and obligations pursuant to the Receivership Order.

Material or evidence to be relied on:

17. The Receivers' First Report dated January 22, 2013;

18. The reports of the Monitor filed in these proceedings;

19. The Pleadings in the within proceedings;

20. The Plan;

Applicable rules:

21. Subsections 1, 2, and 3 of Part 6 of the Alberta *Rules of Court*;

Applicable Acts and regulations:

22. *Companies Creditors' Arrangement Act*, R.S.C. 185, c. C-36 as amended;

23. *The Judicature Act*, R.S.A. 2000, c. J-2

Any irregularity complained of or objection relied on:

24. N/A

How the application is proposed to be heard or considered:

25. In person, before the Presiding Justice in Chambers (Commercial List) on the date and time above-referenced, with all or some of the parties present.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.