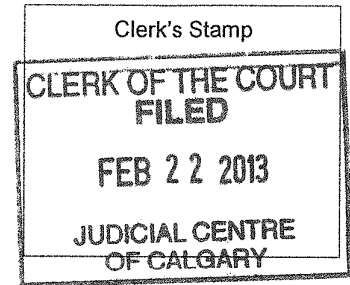


COURT FILE NUMBER 1101-16110
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANTS IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, RSC 1985,
c.C-36, AS AMENDED

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 NOTICE OF OPPOSITION TO APPLICATION
FOR PLAN SANCTION ORDER
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT BURSTALL WINGER LLP
Suite 1600, 333-7th Avenue SW
Calgary, AB T2P 2Z1

Attn: Patrick D. Fitzpatrick
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Email: fitzpatrick@burstall.com
File: 33652 7015

Take Notice that Grizzly Oil Sands ULC ("Grizzly") and SilverWillow Energy Corporation (corporate successor to Silver Birch Energy Corporation – "SilverWillow") oppose the application to be made before the Alberta Court of Queen's Bench on Monday, February 25, 2013 at 10:00 a.m., for a Plan Sanction Order in respect of the proposed Plan for Oilsands Quest Inc. (the "Proposed Plan").

Grounds for opposing the application:

1. The Proposed Plan is not fair and reasonable.
2. Grizzly and SilverWillow are pre-filing trade creditors of Oilsands Quest Sask Inc. ("Oilsands Sask"), whose claims have been accepted as proven claims in the amounts of \$381,047.00 and \$133,970.53, respectively, and which together comprise over 75% of Oilsands Sask's proven third party claims.
3. These proceedings were commenced and continued throughout on the basis that Oilsands Quest Inc. ("OQI"), Oilsands Sask and the other related companies were all part of a corporate group that were operated together as an interconnected group and together were "the Company". These proceedings were also commenced on the basis of a stated intention to obtain protection from the Company's creditors, rather than to make any distribution to OQI's shareholders.

4. Most of the realizable assets in the Company were held by Oilsands Sask, and most of the proceeds to be used in the Proposed Plan originated from cash or assets of Oilsands Sask.
5. Grizzly, SilverWillow and the other trade creditors of Oilsands Sask:
 - (a) Were not given notice of the applications made January 29, 2013 in this proceeding;
 - (b) Were not given an opportunity to vote on the Proposed Plan;
 - (c) Would be paid only 5.7% of the amounts owing to each of them, by the combined effects of the Distribution and Discharge Order: Receivership, granted January 29, 2013 without notice to Grizzly or to SilverWillow, and the Proposed Plan contemplated by the Creditors' Meeting Order granted January 29, 2013 without notice to Grizzly or to SilverWillow, while 99% of Oilsands Sask's assets would be paid directly or indirectly to OQI, and while the Proposed Plan contemplates a distribution to OQI's shareholders after all trade creditors of OQI are each paid 100% of the amounts owing to them.
6. It is unfair and unreasonable, and unfairly prejudicial, to exclude the trade creditors of Oilsands Sask from a CCAA Plan, rather than have a consolidated Plan for OQI and for Oilsands Sask together. A consolidated Plan would also be consistent with the described nature of the Company's makeup and structure as stated in the Monitor's Reports throughout these proceedings, and would also be consistent with the stated intentions upon which these proceedings were commenced.
7. If the trade creditors of Oilsands Sask were included as creditors to be paid 100% of the amounts owing to them in a CCAA Plan, all trade creditors would still be each paid 100% of the amounts owing to them, and the only stakeholders who would receive lesser amounts would be the OQI shareholders.
8. Such further grounds as counsel may advance at the hearing of the application and this Honourable Court may permit.

The following material will be referred to by counsel for Grizzly and SilverWillow at the hearing the application:

1. Affidavit of Mark Schweitzer, sworn February 22, 2013, to be filed.
2. Affidavit of Garth Wong, sworn November 28, 2011.
3. First Report of the Monitor, dated December 15, 2011.
4. First Report of the Receiver, dated January 22, 2013.
5. Thirteenth Report of the Monitor, dated January 22, 2013.
6. Fourteenth Report of the Monitor, dated February 21, 2013.
7. Application Re: Order Supplementing Distribution and Discharge Order, filed February 22, 2013.

8. Such further material as counsel may advise and this Honourable Court may permit.