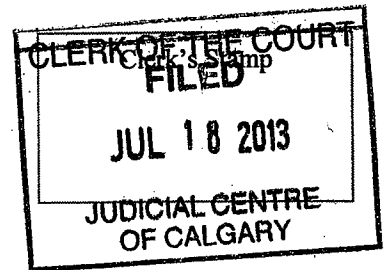


COURT FILE NUMBER 1101-16110
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE Calgary

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 OF GARTH WONG**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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AFFIDAVIT OF GARTH WONG

Sworn on July 17, 2013

I, Garth Wong, of Calgary, Alberta, SWEAR AND SAY THAT:

1. I am the former President and former 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"). (OQI, 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 the Affidavits sworn by me on November 28, 2011, January 5, 2012, February 9, 2012, and March 2, 2012.

The Class Actions

3. The two applicants, Thomas Milne ("Mr. Milne") and W. Scott Thompson ("Mr. Thompson") (collectively, the "Applicants"), are named defendants in the following litigation:
 - (a) *Marshall W. Collins, et al. v. Oilsands Quest Inc., et al.*, Federal District Court in the Southern District of New York, Case Number 11-CV-1288 (the "New York Action"); and
 - (b) *Make a Difference Foundation, Inc. v. Christopher H. Hopkins, et al.*, Federal District Court in Colorado, Case Number 10-CV-0408 (the "Colorado Action").
4. The New York Action is a federal securities action regarding allegations of misrepresentation related to asset values of Oilsands Quest. A settlement agreement has been reached in the New York Action, which settlement agreement binds those class members that do not submit valid and timely requests for exclusion from the class, which request for exclusion had to be received by the Claims Administrator appointed in the New York Action by May 31, 2013. The fairness hearing regarding the settlement of the litigation was held by the New York District Court on June 14, 2013, and I believe that Court will issue its order shortly.
5. The Colorado Action is not related to the New York Action. The Colorado Action stems from OQI's approval of a proposed sale of OQI's Pasquia Hills assets to Canshale Corp. ("Canshale") and allegations related to waste and breaches of fiduciary duty, including loyalty and good faith, by the defendants named therein. A derivative litigation settlement was approved by the Colorado District Court in the Colorado Action and the Colorado Action was dismissed with prejudice on May 22, 2012.

Legal Counsel for the Class Actions

6. For the Colorado Action, the Applicants retained legal counsel at the law firm Burns, Figa & Will PC ("BFW"), whereas OQI retained legal counsel at the law firm Davis, Graham and Stubbs LLP in Colorado. The Applicants were approved to retain different counsel for the Colorado Action as a result of being former directors of OQI and directors of Canshale at the relevant times to the issues in dispute in that litigation. The BFW representation of the Applicants in the Colorado Action was covered by OQI's insurers.
7. For the New York Action, Oilsands Quest retained legal counsel at the law firm Paul, Weiss, Rifkind, Wharton & Garrison LLP ("PWRWG"), in New York. However, the Applicants retained BFW in respect of the New York Action.
8. The Colorado Action raised different issues than the New York Action with respect to the Applicants. The interests of OQI, the officer and director defendants, including the Applicants, were aligned in the New York Action, unlike in the Colorado Action. In the Colorado Action, the Applicants were former directors of OQI and directors of Canshale during the relevant times, unlike the other defendants. However, in the New York Action, the Applicants held the same status as directors during the relevant times as the other defendants.
9. I have reviewed the Proofs of Claim (the "Proofs of Claim") submitted by the Applicants to the Monitor in this action. True copies of the Proofs of Claim are attached hereto to this my affidavit and Mr. Milne's is marked as **Exhibit "A"** and Mr. Thompson's is marked as **Exhibit "B"**. The Proofs of Claim enclose invoices of BFW with time entries and disbursements related to litigation in the New York Action (including filing fees with the Clerk of the Court in New York and conference calls with Judge Rakoff who presided over the New York Action).

The Indemnity

10. The Applicants each entered into separate indemnity agreements with OQI dated January 1, 2007 (the "Indemnity Agreements"), whereby OQI agreed to indemnify the Applicants in respect of

certain claims in certain circumstances (see Exhibits 1 of Mr. Milne's Affidavit and Mr. Thompson's Affidavit).

11. The Indemnity Agreements provide at section 5.3 that:

[OQI] shall be entitled to assume the defence or representation of the Indemnified Party in any such Proceeding through legal counsel selected by [OQI] reasonably acceptable to the Indemnified Party. If any other similarly indemnified persons are also a party to, or involved in any such Proceeding, the Corporation may employ counsel to represent jointly the Indemnified Party and such other persons. After retention of counsel by [OQI], [OQI] shall not be liable to the Indemnified Party under this Agreement for any fees and expenses of counsel subsequently incurred by the Indemnified Party with respect to the same proceeding, provided that:

- (a) the Indemnified Party shall have the right to employ his or her own counsel at the Indemnified Party's own expense (which shall not qualify as Expenses); and
- (b) the Indemnified Party shall have the right to retain his or her own counsel at the Corporation's expense (which shall qualify as Expenses) if:
 - (i) the employment of counsel by the Indemnified Party has been previously authorized by [OQI],
 - (ii) the Indemnified Party shall have been advised by counsel that there is a potential conflict in the joint representation referred to above and such joint representation would be precluded under applicable standards of professional conduct then prevailing in the jurisdiction in which such Proceedings are being conducted, or
 - (iii) [OQI] shall not continue to retain counsel to assume the defence of such Proceedings.

If the Indemnified Party elects to retain counsel in any Proceeding in respect of which indemnification may be sought from [OQI] pursuant to this Agreement, and any similarly indemnified persons are also a party to such Proceeding, the Indemnified Party, together with such other persons, will employ counsel to represent jointly the Indemnified Party and such other persons, unless the Indemnified Party is advised by counsel that there is a potential conflict in such joint representation and such joint representation would be precluded under applicable standards of professional conduct then prevailing in the jurisdiction in which such Proceedings are being conducted, in which case the Indemnified Party will notify [OQI] and will be entitled to be represented by separate counsel. [emphasis added]

12. On or about June 3, 2011, BFW wrote to OQI to request the approval of BFW's engagement by the Applicants and OQI's confirmation and waiver with respect to legal conflicts for such representation of the Applicants in the New York Action (see Exhibit 2 of Mr. Milne's Affidavit). In this correspondence, BFW advised that, upon reviewing the matter, BFW does "not believe that our representation of the Directors [the Applicants] will be directly adverse to OQI or that there is a significant risk that the representation of these Directors will be materially limited by

our responsibilities to OQI". Attached hereto to this my affidavit and marked as **Exhibit "C"** is a true copy of correspondence received from Ms. Theresa M. Mehringer of BFW dated June 3, 2011.

13. On or about June 10, 2011, BFW requested that OQI pay its invoices in relation to the New York Action representation that BFW provided to the Applicants. Attached hereto to this my affidavit and marked as **Exhibit "D"** is a true copy of correspondence received from Ms. Jennifer Osgood of BFW dated June 10, 2011.
14. On or about June 22, 2011, Mr. Leigh Peters, Vice President of Legal at OQI refused BFW's request for approval to represent the Applicants because, pursuant to the Indemnity Agreement, it was not reasonable for the Applicants to retain separate counsel. Mr. Peters invited the Applicants to retain counsel of their choice at their own expense, but advised that counsel had been retained for all defendants in the New York Action and it was in the best interests of all parties for the Applicants to be represented by that same counsel. Attached hereto to this my affidavit and marked as **Exhibit "E"** is a true copy of correspondence sent by Mr. Peters of OQI to Ms. Jennifer Osgood and Ms. Theresa Megringer of BFW dated June 22, 2011.
15. On or about July 13, 2011, I advised BFW to advise the Applicants that OQI would not indemnify them under the terms of the Indemnity Agreement (see Exhibit 5 of Mr. Milne's Affidavit). I further advised that "the interests of the Company [OQI], the officer defendants and the director defendants – including Mr. Thompson and Mr. Milne – are aligned, so that there is no need for Mr. Thompson and Mr. Milne to have separate counsel".
16. OQI has never received from the Applicants, pursuant to section 3.4 of the Indemnity Agreements, the following:
 - (a) a written acknowledgement by Mr. Milne and Mr. Thompson, respectively, regarding each of their obligations to reimburse OQI for the amount of all Advances (as defined therein) if it is determined that either Mr. Milne and Mr. Thompson were not entitled to be indemnified or fully indemnified for Expenses (as defined therein); and
 - (b) a written affirmation that, based on facts known to Mr. Milne and Mr. Thompson, respectively, and in relation to the matter giving rise to the request for the Advance, each of Mr. Milne and Mr. Thompson in good faith believe that they each acted honestly and in good faith with a view to the best interests of OQI or, as the case may be, to the best interests of an Oilsands Quest entity for which either of them acted in an Authorized Capacity (as defined therein).

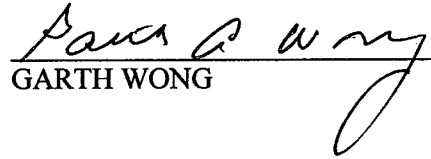
17. I swear this affidavit in opposition to the applications of Thomas Milne and W. Scott Thompson to dispute the Notices of Disallowance of their claims against OQI issued by the Monitor.

SWORN BEFORE ME, at the City of
Calgary, in the Province of Alberta, this
17 day of July, 2013.



A Commissioner for Oaths in and for the
Province of Alberta.

MATTI LEMMENS
Barrister & Solicitor



GARTH WONG