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.

INSTRUCTIONS TO CREDITORS

January 31, 2013

TO: CREDITORS OF Oilsands Quest Inc.("OQI")

Re: Meeting of the Creditors of OQI to consider and vote on a resolution to approve OQI's Plan of Arrangement pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "Plan")

We enclose in this package the following documents for your review and consideration:

1. the Notice to Creditors;
2. the Thirteenth Monitor's Report regarding the Plan;
3. the Plan proposed by OQI (Appendix A to the Thirteenth Monitor's Report); and
4. a blank Instrument of Proxy, completion instructions and a return envelope.

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan.

The purpose of these materials is to provide you with the documents required to facilitate the determination and settlement of your Affected Claims, and to enable you to consider the Plan and vote to accept or reject the Plan at the Meeting of Creditors to be held on February 21, 2013 at 2:00 p.m. at the offices of Borden Ladner Gervais LLP, 1900, 520 Third Avenue S.W., Calgary, Alberta T2P 0R3 (the "**Creditors' Meeting**").

PROXY

If a Creditor wishes to vote at the Creditors' Meeting and is not an individual or is an individual who will not be attending the Creditors' Meeting in person, please complete the enclosed Instrument of Proxy and provide it to the Monitor, using the enclosed envelope, or by sending it to the Monitor by facsimile transmission, at the fax number noted below, so that it is received by the Monitor no later than 5:00 p.m.

(MST) on February 20, 2013. You are required to provide the Instrument of Proxy to the Monitor by this deadline or to the Chair prior to the commencement of the Creditors' Meeting if you wish to appoint a proxy to cast your vote at the Creditors' Meeting. However, your failure to vote at the Creditors' Meeting will not affect any right you have to receive any distribution that may be made to Affected Creditors under the Plan.

FURTHER INFORMATION

If you have any questions regarding the process or any of the enclosed forms, please contact Ernst & Young Inc. at the following address:

Ernst & Young Inc.
Court Appointed Monitor of OQI
#1000, 440-2 Avenue S.W.
Calgary, AB T2P 5E9
Attention: Jessica Caden
Fax: (403) 206-5075
Email: jessica.caden@ca.ey.com

You can view copies of the documents relating to this process on the following website: www.ey.com/ca/oilsandsquest