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April 30, 2013 - Oilsands Quest Inc. Shareholder Update

As you are likely aware, Ernst and Young Inc. was appointed monitor ("Monitor") of Oilsands Quest Inc. ("OQI") under the Companies Creditors' Arrangement Act ("CCAA") pursuant to an Order of the Court of Queen's Bench of Alberta (the "Alberta Court") dated November 29, 2011. On June 28, 2012 the Alberta Court granted a further Order which expanded the powers of the Monitor to include, *inter alia*, to operate and carry on the business of OQI. Copies of these court orders can be found on the Monitor's website at www.ey.com/ca/oilsandsquest.

On January 29, 2013, the Alberta Court granted an order authorizing OQI to convene a creditors' meeting on February 21, 2013 (the "Creditors' Meeting") to consider and vote on the plan of compromise and arrangement (the "Plan"). The Creditors' Meeting was held on February 21, 2013 and at that meeting the creditors voted overwhelmingly in favour of the Plan.

The Final Sanction Order had been recognized in the United States. Plan Implementation will occur on May 3, 2013 ("Plan Implementation Date"). On the Plan Implementation Date the Monitor will pay the Proven Claims and establish the Disputed Claims Reserve within the OQI Fund.

After the remaining Disputed Claims are resolved and paid, if applicable, the Monitor will put in motion the final distribution to the shareholders on record at the Plan Implementation Date. The Monitor expects the distribution to shareholders at the Plan Implementation Date to be made in the early Fall of 2013.

Capitalized terms not defined in this update are as defined in the Initial Order, the Plan and the Creditors' Meeting Order.

-Ernst & Young Inc., Monitor of Oilsands Quest Inc.