

NEWS RELEASE

DATE: November 10, 2009

Oilsands Quest Provides Reservoir Test Program Update and Announces Participation at Conference

Calgary, Alberta -- Oilsands Quest Inc. (NYSE AMEX:BQI) (the "Company") is providing an update on its Reservoir Testing Program and announcing its participation at the Canadian Heavy Oil Association conference on November 10th, 2009.

In order to optimize a recovery process best suited to our reservoir, we have commenced field testing at our Axe Lake Test Sites. Our advanced laboratory studies and numerical reservoir simulations indicate that bitumen recovery can be achieved using our reconfigured thermal method, the Bottom Up Recovery Process. Our testing of this method follows a sequential approach, both in the scale of the field operations at Test Sites 1 and 3 and with the transition from vertical to horizontal wells.

Reservoir Test Program Update – Test Site 3

In mid-October we perforated the two vertical wells at Test Site 3, which are approximately 3.5 meters apart, and installed water heating and injection facilities. The objective of this test was to circulate water and solvent at different temperatures in order to:

1. Confirm the establishment of early fluid movement;
2. Confirm the ability to establish convective heat transfer at the bottom of the reservoir;
3. Recover bitumen by using both hot water and solvent injection; and
4. Gather preliminary data on the horizontal displacement of fluids.

We commenced injecting cold water at low pressure and volume into the base of the McMurray formation on October 25, 2009 and established communication between the two wells. Cold water circulation was maintained for 24 hours, following which heated water was circulated, resulting in the mobilization of bitumen in the reservoir. On Thursday October 29, 2009, naphtha injection began and bitumen recovery commenced on Friday October 30, 2009.

We continued to circulate hot water until November 5, 2009, at which time the facilities were removed. We are continuing to monitor the changes in temperature and pressure as we prepare for the next stage in our testing program.

"Our results at Test Site 3 are encouraging" said T. Murray Wilson, Executive Chairman, "as they confirm our expectations regarding the fundamental characteristics of the Axe Lake reservoir. We are especially pleased by the recovery of bitumen at such an early stage in our testing. We are now looking forward to testing at Test Site 1 to further determine the effectiveness of our Bottom Up Recovery Process."

Reservoir Test Program Update – Test Site 1

On October 18, 2009 the electrical, mechanical and boiler facilities at Test Site 1 (TS 1) were successfully commissioned. Construction is complete, experienced operating personnel are in place and the facility is ready to commence operations. A coil-tube drilling rig is in-place and, with the successfully completed cement logging program, is beginning to install instrument monitoring strings in our three horizontal wells.

We are awaiting final regulatory approval to proceed with our Phase One, vertical well test program at TS 1 to inject water and steam in order to:

1. Demonstrate the feasibility of establishing and maintaining staged communication at the base of the Axe Lake reservoir;
2. Evaluate reservoir behavior in relation to water and steam injection including geo-mechanical effects; and
3. Calibrate the Axe Lake relative permeability curves for use in our reservoir simulators.

Four vertical wells for micro-seismic monitoring are being drilled and completed and a baseline seismic profile will be established prior to commencement of Phase One testing. The interpretation of micro-seismic signals is expected to enable more effective history matching of the horizontal fluid flow and convective heat transfer. Phase One testing at TS 1 is expected to commence in mid-November.

Overburden Test Program – Update

A fifteen hole overburden test program using a specialized sonic coring rig commenced on October 19, 2009. To date, four holes have been drilled, cored and logged through the overburden and into the Devonian limestone below the McMurray Formation. Using the core collected, along with Dipole Sonic and Nuclear Magnetic Resonance logs, we have identified multiple, dense, low permeability units within the overburden. These units are being correlated with our 3-D seismic data to determine their extent and continuity.

Pilot Project Application

We expect to submit an application for a pilot project at Axe Lake in early 2010. This application will be based on a low pressure, thermal bitumen recovery process as currently being tested as part of our reservoir test program.

Conference Participation

Simon Raven, Chief Geologist, will present at the Canadian Heavy Oil Association Conference in Calgary, Alberta on Tuesday November 10, 2009. A link to the corporate slide presentation will be posted on the Oilsands Quest website www.oilsandsquest.com on November 10, 2009.

Cautionary Statement about Forward-Looking Statements

This news release includes certain statements that may be deemed to be “forward-looking statements.” All statements, other than statements of historical facts, included in this news

release that address activities, events or developments that our management expects, believes or anticipates will or may occur in the future are forward-looking statements. Also, forward-looking statements are frequently indicated by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "potential", "prospective" and other similar words, or statements that certain events or conditions "may" "will" or "could" occur. Forward-looking statements such as the amount and nature of future capital, development and exploration expenditures, the timing of exploration and test program activities, business strategies and development of our business plan and exploration and testing programs, and references to the Company's reservoir field testing and analysis program, and the timing of such program are based on the opinions and estimates of management and the Company's independent evaluators at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements, which include but are not limited to risks inherent in the oil sands industry, regulatory, financing and economic risks, and risks associated with the Company's ability to implement its business plan. There are uncertainties inherent in forward-looking information, including factors beyond Oilsands Quest's control, and no assurance can be given that the programs will be completed on time, on budget or at all. Additional information relating to our Company, including our Annual Report on Form 10K, can be found at www.sedar.com. Oilsands Quest undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change, except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements.

About Oilsands Quest

Oilsands Quest Inc. (www.oilsandsquest.com) is aggressively exploring Canada's largest holding of contiguous oil sands permits and licences, located in Saskatchewan and Alberta, and developing Saskatchewan's first global-scale oil sands discovery. It is leading the establishment of the province of Saskatchewan's emerging oil sands industry.

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