

NEWS RELEASE

DATE: June 5, 2007

*FOR IMMEDIATE RELEASE:*

**Oilsands Quest granted additional extension for final land relinquishment**

Calgary, Alberta -- Oilsands Quest Inc. (Amex: BQI) reports it has received an extension to the Saskatchewan Government's deadline for the planned and final relinquishment of a portion of its oil sands exploration permits located in northwest Saskatchewan. On Friday, June 1, the company was granted an extension until July 9, 2007.

"This is very good news, as it will allow us to further extend our ongoing evaluation of the Saskatchewan permits through additional seismic and airborne survey programs currently underway," said Christopher H. Hopkins, President & CEO of Oilsands Quest. "Results of these programs will help us further refine and optimize our relinquishment plan beyond the Axe Lake Discovery area."

As stated in the past, the relinquishment originally scheduled for May 31, 2006 will result in Oilsands Quest holding oil sands permits totaling approximately 508,000 acres in northwest Saskatchewan; it will be one of the largest contiguous land positions in the oil sands industry.

**Winter operations video on web site**

A 10-minute video presentation, featuring activities at the Axe Lake site during the winter 2006/07 exploration program, has been posted on the company's web site ([www.oilsandsquest.com](http://www.oilsandsquest.com)).

Oilsands Quest Inc. is building long-term shareholder value through exploration of its oil sands permits in Saskatchewan and Alberta. The company has initiated pre-commercialization studies for its Axe Lake Discovery, placing it at the forefront of the development of an oil sands industry in the province of Saskatchewan.

**Forward-Looking Information**

Except for statements of historical fact relating to Oilsands Quest Inc., this news release contains certain "forward-looking information" within the meaning of applicable securities law, including with respect to the development of the Axe Lake Discovery. Forward-looking information in this news release is characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may", "will" or "could" occur. These statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, including such factors as the volatility and level of oil and natural gas prices, currency exchange rate fluctuations, uncertainties in cash flow, expected acquisition benefits, exploration drilling and operating risks, competition, litigation, environmental matters, the potential impact of government regulations, and other matters. There are uncertainties inherent in forward-looking information, including factors beyond Oilsands Quest's control. 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. The risks and uncertainties set forth above are not exhaustive. Readers should refer to Oilsands Quest's current annual report on Form 10KSB and other document filings, which are available at [www.sedar.com](http://www.sedar.com) and at [www.sec.gov](http://www.sec.gov) for a detailed discussion of these risks and uncertainties.

For more information:

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