

**NEWS RELEASE**

DATE: September 21, 2009

**Oilsands Quest announces participation at conference and filing of Registration Statement**

Calgary, Alberta -- (September 21, 2009) – Oilsands Quest Inc. (NYSE AMEX:BQI) (the “Company”) announces that Simon Raven, Chief Geologist, will present at the Athabasca Heavy Oil Conference in Edmonton, Alberta on Tuesday September 22, 2009. A link to the corporate slide presentation will be posted on the Oilsands Quest website [www.oilsandsquest.com](http://www.oilsandsquest.com) on September 22, 2009.

The Company also announces that it has filed a shelf registration statement on Form S-1 with the U.S. Securities and Exchange Commission (“SEC”) and with certain securities regulators in Canada under the Multijurisdiction Disclosure System. The shelf registration statement, when declared effective by the SEC, would give the Company the ability to offer and sell up to \$500,000,000 of its securities consisting of common stock, warrants, units and/or subscription receipts or a combination thereof. After the shelf registration becomes effective, the Company may offer and sell such securities from time to time and through one or more methods of distribution, subject to market conditions and the Company’s capital needs. The terms of any offering under the shelf registration statement would be established at the time of such offering and will be described in a prospectus supplement filed with the SEC and certain Canadian securities regulators prior to completion of the offering.

The registration statement has been filed with the SEC and certain Canadian securities regulators but has not yet become effective. The Company cannot sell securities nor may offers to buy securities be accepted prior to the time that the registration statement becomes effective. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**About Oilsands Quest**

Oilsands Quest Inc. ([www.oilsandsquest.com](http://www.oilsandsquest.com)) is 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 discoveries. It is leading the establishment of the province of Saskatchewan's emerging oil sands industry.

**Cautionary Statement about Forward-Looking Statements**

This news release includes certain statements that may be deemed to be “forward-looking statements” within the meaning of the U.S. federal securities laws. 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. The Company undertakes no obligation to update forward-looking statements 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.

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