

**CALGARY, ALBERTA June 30, 2017** – US Oil Sands Inc. ("**US Oil Sands**" or the "**Company**"), an innovator of oil extraction technologies, announces it has closed the first US\$2.5 million tranche of its previously announced US\$5 million senior secured convertible loan facility with ACMO S.à R.L. ("**ACMO**"), the Company's largest shareholder, to fund remaining PR Spring Project (the "**Project**") start-up costs and to provide working capital for the Company (the "**Financing**"). For further details on the Financing, please see the Company's press release dated June 13, 2017.

## **VOLUNTARY DELISTING**

In conjunction with the Financing, the Company's common shares have been delisted from the TSX Venture Exchange effective June 29, 2017. The Company continues to be a reporting issuer under Canadian securities laws and subject to Canadian continuous disclosure requirements.

## **BOARD OF DIRECTORS**

Pursuant to the Financing, the Company has reconstituted its Board of Directors such that the number of directors has decreased from five to three members, each of whom are nominees of ACMO. The remaining Board members are Harry Quarls (as Chairman), Mark Brown and Ed Chwyl, while Al Holcomb and Serafino Iacono have resigned.

## **LIQUIDITY**

As at June 30, 2017, before giving effect to the Financing, the Company had cash and cash equivalents of C\$1.3 million, a working capital deficit of C\$13.1 million, including its US\$7.5 million loan facility and accrued interest thereon, and no commitments for capital expenditures. After closing the first tranche of the Financing, the Company has C\$4.6 million of cash and cash equivalents and expects positive working capital of C\$0.2 million due to the increase of US\$2.5 million from the Financing, the reclassification of the Company's US\$7.5 million loan facility to long-term debt, and the forgiveness of the accrued interest thereon. Included in the working capital figure is US\$3.8 million of current liabilities directly related to the Project. There is minimal capital required to complete the remaining start-up activities, barring encountering any major construction and/or design deficiencies. The Company requires the aforementioned financial resources to fund excess costs that may arise during the start-up activities, operating losses until reaching positive cashflows from operations, the discharge of its current liabilities, and shortfalls in cashflow due to timing of receivables collection.

The Company's ability to remain a going concern is dependent upon the availability of additional financing including the second tranche of the Financing, successful



commercialization of the Company's proprietary bitumen extraction technology, the generation of positive cashflows from operations and the ability to discharge obligations as they become due.

## **PR SPRING PROJECT UPDATE**

The Company will continue to work on start-up and optimizing plant operations targeting first-oil and market sales in Q3.

## **ABOUT US OIL SANDS INC.**

US Oil Sands ([www.usoilsandsinc.com](http://www.usoilsandsinc.com)) is engaged in the exploration and development of oil sands properties and, through its wholly owned United States subsidiary US Oil Sands (Utah) Inc., has a 100% interest in bitumen leases covering 32,005 acres of land in Utah's Uinta Basin. The Company plans to develop its oil sands properties using its proprietary extraction process which uses a bio-solvent to extract bitumen from oil sands without the need for tailings ponds. The Company is in the pre-production stage, anticipating the commencement of bitumen production and sales once it has completed start-up of the Project.

The foregoing contains forward-looking information relating to the future performance of the Company including expectations relating to the use of proceeds of the Financing, the Company's continued status as a reporting issuer, capital requirements to complete the remaining start-up activities and the Company's business and operations on a go-forward basis. Forward looking information is subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in our forward-looking statements. Such risks and other factors include, among others, the ability of the Company to satisfy the conditions precedent of the Financing in a timely manner or at all, risks affecting the commercialization of the Company's technology, the actual results of exploration activities, changes in world commodity markets or equity markets, the risks of the petroleum industry including, without limitation, those associated with the environment, delays in obtaining governmental approvals, permits or financing or in the completion of development or construction activities, title disputes, change in government and changes to regulations affecting the oil and gas industry, the availability of additional financing, and other risks and uncertainties detailed from time to time in the Company's filings with Canadian securities regulatory authorities (available at [www.SEDAR.com](http://www.SEDAR.com)). Forward-looking statements are made based on various assumptions and on management's beliefs, estimates and opinions on the date the statements are made.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking information contained herein. The Company undertakes no obligation to update forward-looking statements if these assumptions, beliefs, estimates and opinions or other circumstances should change, except as required by applicable law.

## **FOR ADDITIONAL INFORMATION PLEASE CONTACT:**

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