

**July 5, 2011** – Calgary, Alberta: US Oil Sands Inc. (“US Oil Sands” or the “Company”) (TSXV: USO.V) is pleased to announce the final closing of a major Utah land acquisition, provide an operational update, and announce an expansion of the Company’s Utah core hole drilling program.

### **Closing of Land Acquisition**

In an agreement signed January 14, 2011, the Company acquired 23,850 acres of undeveloped lease hold rights for bitumen extraction. This transaction was subject to certain closing requirements which have now been fulfilled. As a result this transaction has been successfully closed and the leases have been issued by the State of Utah School and Institutional Trust Lands Administration (SITLA). The acquisition expands US Oil Sands Utah landholdings by approximately 400% to 31,685 acres, and brings a significant expansion to the Company’s bitumen resource base.

### **Operational Update**

As previously discussed in the Company’s filing statement of April 7, 2011, US Oil Sands has initiated a 145 well core hole drilling program on its Utah leases. Lease preparation was initiated in May and drilling was started in early June. To date a total of 48 wells have been drilled with bitumen-bearing cores successfully recovered from all wells. Preliminary results have met or exceeded expectations, and the program is on time and on budget.

US Oil Sands currently has 2 rigs drilling, and the program is expected to be completed in September with laboratory assay and analysis completed in the fourth quarter. Results from a portion of the drilling program will be used for final design of the Company’s PR Spring Bitumen Development Project. Coring and assay information will also be provided to the Company’s independent reserves evaluator for completion of its annual resource assessment required under NI 51-101.

### **Expanded Coring Program**

With the closing of the above 23,850 acre leasehold transaction, US Oil Sands has decided to expand its drilling program. An additional 15-18 evaluation wells are planned on the newly acquired lands to allow the Company to begin assessing bitumen resources in place. The total cost of the coring program and analysis is now budgeted at \$5 million and will be funded from current working capital.

### **Change in Financial Year End**



Following the April 18, 2011 completion of the reverse take-over as more fully described in the Company's Filing Statement dated April 7, 2011, the Company changed its financial year end from November 30 to December 31. Accordingly, the next quarter end reporting period will be for the second quarter ended June 30, 2011. The Company has also changed its Auditor to Deloitte & Touche LLP.

### **Corporate Website**

The Company wishes to announce the initiation of its new website that will serve all our stakeholders as a common point of information about the Company and its activities. While the full website content is being developed, fundamental information including current communications, contact information and the current corporate presentation is available at [www.usoilsandsinc.com](http://www.usoilsandsinc.com).

### **About US Oil Sands Inc.**

US Oil Sands is engaged in the exploration and development of oil sands properties. The Company, through its wholly owned US subsidiary, has a 100% interest in bitumen leases covering 31,685 acres of land in Utah. The Company estimates that this land contains a large resource base which, when developed, will provide a significant benefit both to the Utah economy and in meeting US domestic energy requirements.

US Oil Sands plans to develop its oil sands properties using the Company's unique patent-pending extraction process. This process is a very efficient and environmentally responsible approach to oil sands development. Using a unique bio-solvent the Company is able to separate bitumen from oil sand without the need for tailings ponds. The process requires low energy input, recycles 95% of the water used and uses best practice mining methods to rapidly reclaim mined areas. US Oil Sands has received a permit to construct the project on its Utah property and is currently in the final design stage targeting first production in 2013.

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*This news release contains certain forward-looking statements including but not limited to its planned core hole drilling and evaluation program, resource evaluation program, future development plans and application of its proprietary extraction process. The forward-looking statements contained in this document are solely opinions and forecasts which are uncertain and subject to risks. Forward-looking statements include but are not limited to uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to a number of known and unknown risks and uncertainties. These risks include, but are not limited to the risks associated with the oil sands industry, exploration, development and production, delays or changes in plans, changes to capital costs, the uncertainty of geological and resource interpretations, the uncertainty of estimates relating to production, costs and expenses, and health, safety and environmental risks, the risk of commodity price fluctuation, the risk of changing general economic conditions, the risks of obtaining and maintaining regulatory approvals and the ability to obtain sufficient capital from external sources.*

*Additional risks and uncertainties affecting US Oil Sands and its business plans and affairs are described in the Company's filings available at [www.sedar.com](http://www.sedar.com). Although US Oil Sands believes that the expectations in such forward looking information are reasonable, there can be no assurance that such expectations shall prove to be correct. The forward looking information included herein is made as of the date of this news release and US Oil Sands assumes no obligation to update or revise any forward looking information to reflect new events or circumstances, unless required by law.*