

CALGARY, ALBERTA January 14, 2013 – US Oil Sands Inc. ("US Oil Sands" or the "Company") (TSXV: USO), a company focused on oil sands exploration and production in Utah, today announced that the Board of Directors of the Utah Division of Oil, Gas and Mining ("DOGM") voted to support DOGM's previous approval of the Company's Notice of Intention to Commence Large Mining Operations at its PR Spring Oil Sands Project. The decision will be published and effective once the order has been executed by DOGM's chairman.

"This decision supports earlier regulatory findings that the PR Spring Project does not pose any significant impact to potential ground water in the area," said Cameron Todd, CEO of US Oil Sands. "We continue to advance this project in the most environmentally responsible manner possible and believe that this series of favourable rulings from independent regulatory bodies is indicative of our efforts in this area, and of the Company's commitment to environmental excellence."

US Oil Sands has 100% interest in bitumen leases in Utah's Uinta Basin on which the company plans to develop an oil sands bitumen extraction project. In 2008 the Company received Utah state approval for a ground water discharge permit-by-rule, and in 2009 a large mine permit for the development of an oil sands mining project on the PR Spring Development lease. In 2010 a Utah-based environmental organization challenged the Company's mine permit through a Request for Agency Action of DOGM. A hearing on the matter commenced in early 2011, however the issues in question primarily related to concerns about potential impacts on ground water. These same issues were also raised in the 2011 environmental challenge brought to the Utah Department of Environmental Quality (Water Quality Board). Therefore, the DOGM hearing was deferred, pending a finding by the Water Quality Board.

On October 24, 2012 the Utah Department of Environmental Quality's Water Quality Board voted to support the Company's ground water discharge permit-by-rule, thereby allowing DOGM's Board of Directors to resume their hearing, final arguments and eventual decision. The final result of this process was the Board of Director's support of DOGM's previous approval of the Company's Notice of Intention to Commence Large Mining Operations at its PR Spring Oil Sands Project.

ABOUT US OIL SANDS LTD.



US Oil Sands 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 in 2013.

The foregoing information contains forward-looking information relating to the future performance of the Company including information relating to the development and construction of the PR Spring Project and the commencement of commercial production. 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 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, and other risks and uncertainties detailed from time to time in the Company's filings with the Canadian securities administrators (available at 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.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For additional information please contact:

US Oil Sands Inc.
Cameron Todd, CEO or Glen Snarr,
President and CFO
Suite #1600, 521 - 3rd Avenue SW
Calgary Alberta

Investor Relations
Jeremy Dietz
300 5th Ave. SW, 10th Floor
Calgary, Alberta T2P 3C4
Tel: +1 403 218 2833



Canada T2P 3T3

Tel: +1 403 233 9366

Email: info@usoilsandsinc.com

Website: www.usoilsandsinc.com

jdietz@equicomgroup.com