



**CALGARY, ALBERTA October 18, 2013** – US Oil Sands Inc. ("**US Oil Sands**" or the "**Company**") (TSXV: USO) today announced the closing of the previously announced \$80 million private placement financing of US Oil Sands (the "Financing") with strategic investors Blue Pacific Investments Group Ltd. (through Oil Associates, S.A.) ("Oil Associates"), Anchorage Capital Group, L.L.C. (through ACMO S.à.r.l.) ("ACMO") and Spitfire Ventures, LLC ("Spitfire") and certain accredited investors. The Financing was over-subscribed and gross proceeds will be approximately \$81 million following receipt of an additional \$1 million in subscription proceeds, which the Company expects to receive imminently.

Pursuant to the terms of the Financing, US Oil Sands has appointed to its Board of Directors (the "Board") Serafino Iacono and Ronald Pantin as nominees of Oil Associates, Stephen Lehner as a nominee of ACMO, and Alfred Holcomb as a nominee of Spitfire. Kevin Ulrich of ACMO and Rod Lewis of Spitfire who were previously announced as incoming directors will act as observers to the Board. Due to other commitments, Frank Giustra will not be appointed to the Board. As observers, Kevin Ulrich and Rod Lewis will attend Board meetings and lend their expertise and extensive experience to the US Oil Sands team.

Verne Johnson, Cameron Todd and Ed Chwyl will retain their roles as existing directors of the Company, with Verne Johnson continuing as Chairman of the Board. Departing from the Board will be Douglas Hunter, James Banister and Ken Stephenson.

"We are extremely pleased to have received shareholder and regulatory approval for this strategic financing, as it fully funds the initial 2,000 bbl/day phase of our PR Spring Project and bolsters our corporate development efforts to export our environmentally-responsible method of oil sands extraction around the world," said Cameron Todd, CEO of US Oil Sands. "Our new slate of prominent directors and Board observers is unique for a company of our size and is an attribute that we plan to leverage when growing our Company's operations into other oil sands regions, such as those found in Canada and many other jurisdictions. Moreover, we are fortunate to have available the considerable technical expertise and operating experience of Messrs. Pantin and Lewis for the Board which will assist us in executing our extensive expansion plans." Mr. Todd finished by saying: "We again would like to acknowledge the significant contribution of our three retiring directors in stewarding US Oil Sands to its current level of success and thank them on behalf of the entire Company."

The Company has received subscriptions for 540,036,331 common shares ("Common Shares") at a price of \$0.15 per Common Share for gross proceeds of approximately \$81 million. A total of 532,968,331 Common Shares were issued



pursuant to an initial closing and it is anticipated that an additional 7,068,000 Common Shares will be issued pursuant to a second closing. Pursuant to the Financing, Oil Associates acquired ownership, and currently holds a total, of 166,666,667 Common Shares and ACMO acquired ownership, and currently holds a total, of 223,333,333 Common Shares, representing approximately 20% and 26% of the issued and outstanding Common Shares, respectively. Each of Oil Associates and ACMO acquired the Common Shares for investment purposes and, although they may from time to time increase or decrease their respective ownership of Common Shares of the Company, neither has any present intention to acquire additional Common Shares. The address of Oil Associates is Edificio MMG, Piso 2, Calle 53 Este, Marbella, Panamá, Republic of Panama and the address of ACMO is 26-28 Rue Edward Steichen, L-2540, Luxembourg.

All Common Shares issued pursuant to the Financing are subject to a statutory hold period of four months from the date of each closing. The Financing was approved by a majority of the Company's shareholders through written consents. Following the completion of the Financing, US Oil Sands will have a total of 852,892,395 Common Shares outstanding on a non-diluted basis.

US Oil Sands intends to use the proceeds from the Financing to finalize the first phase of the commercial development of the PR Spring Project and to accelerate future production phases. The Company's PR Spring Property spans 32,005 acres of land in Utah's Uinta basin and, according to a resource report prepared by Sproule Unconventional Limited dated April 29, 2013 and effective as of February 28, 2013, contains an estimated 184.3 MMbbl of discovered petroleum (bitumen) initially-in-place. For additional information, please refer to the Company's Form 51-101F1 – Statement of Resources Data and Other Oil and Gas Information available on SEDAR at [www.sedar.com](http://www.sedar.com).

Together with funding the expenditures related to the closing of the Financing and general corporate purposes, proceeds raised in excess of those required to fund the PR Spring Project will allow the Company to immediately initiate corporate development activities that may include the acquisition of or participation in other oil sands assets located outside the State of Utah. The Company intends to develop oil sand resources using its patented bio-solvent technology that achieves best-in-class environmental benchmarks and capital efficiencies.

Canaccord Genuity Corp., EAS Advisors, LLC through Merriman Capital, Inc., and Fiore Management & Advisory Corp. acted as financial advisors to US Oil Sands in connection with the Financing and were paid a total of \$2.8 million.

## **APPOINTEES & OBSERVERS TO THE BOARD OF DIRECTORS**

### **Serafino Iacono**

Serafino Iacono is the Co-Chairman and an Executive Director of Pacific Rubiales Energy Corp. (TSX: PRE; BVC: PREC; BOVESPA: PREB) (“Pacific Rubiales”). Mr. Iacono has been involved in the financing and development of mining, oil and other resources projects in the United States, Latin America and Europe for over 28 years and has raised more than four billion dollars for numerous natural resource projects. He is a founding member of Blue Pacific Investments Group Ltd., which owns investments in infrastructure, mining, oil and gas and farming assets. Currently, Mr. Iacono is also a Director and Executive Co-Chairman of Gran Colombia Gold Corp. (TSX: GCM) and CGX Energy Inc. (TSXV: OYL) (“CGX Energy”) as well as a Director of Pacific Coal Resources Ltd. (TSXV: PAK) (“Pacific Coal”).

### **Ronald Pantin**

Ronald Pantin is the Chief Executive Officer and an Executive Director of Pacific Rubiales and has overseen its significant growth to over 130,000 boe/d of net average daily production.

Pacific Rubiales, a Canadian company and producer of natural gas and crude oil, owns 100% of Meta Petroleum Corp., which operates the Rubiales, Piriri and Quifa heavy oil fields in the Llanos Basin, and 100% of Pacific Stratus Energy Colombia Corp., which operates the La Creciente natural gas field in the northwestern area of Colombia. Pacific Rubiales has also acquired 100% of PetroMagdalena Energy Corp., which owns light oil assets in Colombia, and 100% of C&C Energia Ltd., which owns light oil assets in the Llanos Basin. In addition, the Company has a diversified portfolio of assets beyond Colombia, which includes producing and exploration assets in Peru, Guatemala, Brazil, Guyana and Papua New Guinea.

A veteran of the Venezuelan oil industry, Mr. Pantin has held numerous high-profile positions with the Venezuelan state-owned energy company, PDVSA, throughout his career including Vice President of Corpoven, Vice President of PDVSA E&P, President of CVP, President of PDVSA Exploration, President of PDVSA Services, and Executive Vice President of PDVSA Oil & Gas. Mr. Pantin is also a director of Pacific Coal and CGX Energy. Mr. Pantin holds Bachelors of Science degrees in Petroleum Engineering and Management Science from Mississippi State University with the highest distinction in 1975 and Masters of Science degrees in Petroleum Engineering and Industrial Engineering from Stanford University in 1977.

### **Stephen Lehner**

Stephen Lehner is a Sector Head at Anchorage Capital Group, L.L.C. (“Anchorage”)

where he is responsible for the firm's investments across energy, transportation, and metals and mining. Prior to joining Anchorage he was a Managing Director at Mount Kellett Capital Management, LP from 2009 to 2013 where he focused on investments in energy, refining, chemicals, autos, and metals and mining. Mr. Lehner was a Managing Director at Morgan Stanley where he worked from 2001 to 2009. He holds a Masters of Business Administration with a concentration in finance from the University of Maryland and is a Chartered Financial Analyst.

### **Alfred Holcomb**

Alfred Holcomb is Board Certified in Tax Law and Estate Planning and Probate Law by the Texas Board of Legal Specialization since 1983 and was one of the first attorneys in Texas board certified in both of these specialty areas. Mr. Holcomb obtained his B.A. in Finance in 1974 from University of Texas, a J.D. in 1977 from St. Mary's University School of Law and an LL.M. in Taxation in 1978 from New York University. Mr. Holcomb began his legal career in the San Antonio based Federal Tax Law Firm of Schoenbaum, Curphy & Scanlan in 1978 and became a partner in the Firm (1983-2004). In 2004, Mr. Holcomb began work with Lewis Energy Group ("LEG"), a private oil and gas exploration company in San Antonio, Texas, with operations in Texas centered in the Eagle Ford shale play. Mr. Holcomb is currently serving as Vice President of Acquisitions and Development with LEG.

### **Rod Lewis**

Rod Lewis is the founder and CEO of LEG. Mr. Lewis has been actively involved in the oil and gas industry since 1978. Since its inception in the early 1980s, LEG has steadily grown and now controls over 400,000 acres of lands in the Eagle Ford shale trend of South Texas, together with operations in Mexico and Colombia. In addition to LEG, Mr. Lewis engages in other opportunities through entities like Spitfire Ventures, LLC. Mr. Lewis is a hands-on executive and self-made oil man. Aside from oil and gas, Mr. Lewis' passion is his vintage warbird collection, known as Lewis Air Legends. Son of an Air Force pilot, his vintage warbird collection includes 24 aircraft, most of them the classic WWII warbirds and is regarded as one of the top vintage warbird collections in the world. He serves on the Board of Directors for the Smithsonian Air and Space Museum.

### **Kevin Ulrich**

Kevin Ulrich is the Chief Executive Officer and Portfolio Manager at Anchorage which he co-founded in 2003 and is a Managing Member at Anchorage Advisors Management L.L.C. Previously, he ran the proprietary debt-trading operation at Goldman Sachs.

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

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 foregoing information contains forward-looking information relating to the future performance of the Company including information relating to the use of proceeds of the Financing, closing of a second tranche of the Financing, development and construction of the PR Spring Project, commencement of commercial production, resource estimates, target production levels, corporate development activities and international opportunities. 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](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.

Discovered bitumen resources or discovered bitumen initially-in-place is that quantity of bitumen that is estimated, as of a given date, to be contained in known accumulations on Company lands prior to production. There is no certainty that it will be commercially viable to produce any portion of the resources. Additional information relating to resource estimates is contained in the Company's Statement of Resources Data and Other Oil and Gas Information for the year ended December 31, 2012 dated April 29, 2013 and available on SEDAR at [www.sedar.com](http://www.sedar.com).



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 T2P 3T3  
Tel: +1 403 233 9366  
Email: [info@usoilsandsinc.com](mailto:info@usoilsandsinc.com)  
Website: [www.usoilsandsinc.com](http://www.usoilsandsinc.com)

Investor Relations  
Jeremy Dietz  
300 5<sup>th</sup> Ave. SW, 10<sup>th</sup> Floor  
Calgary, Alberta T2P 3C4  
Tel: +1 403 218 2833  
Email: [jdietz@tmxequicom.com](mailto:jdietz@tmxequicom.com)

To obtain a copy of the early warning reports filed by Oil Associates and ACMO, please contact:

Oil Associates, S.A.	Anchorage Capital Group, L.L.C.
Attention: Laureano von Siegmund	Attention: Anne-Marie Kim
Tel: 416-362-7735	Tel: 212-432-4600
Email: <a href="mailto:vonsiegmund@gmail.com">vonsiegmund@gmail.com</a>	Email: <a href="mailto:legal@anchoragecap.com">legal@anchoragecap.com</a>