

**CALGARY, ALBERTA March 12, 2014** – 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 it has filed its audited consolidated financial statements ("**Financial Report**") for the twelve month period ended December 31, 2013 along with the management discussion and analysis ("**MD&A**") of the financial results of US Oil Sands for such period.

A copy of the aforementioned documents may be found for viewing on the System for Electronic Document Analysis and Retrieval website at [www.sedar.com](http://www.sedar.com) as well as US Oil Sands' website at [www.usoilsandsinc.com](http://www.usoilsandsinc.com).

## **SELECTED OPERATIONAL & FINANCIAL HIGHLIGHTS**

Some of the achievements in 2013 include:

- Completed a private placement for gross proceeds of \$81,005,452 that fully funds the PR Spring 2,000 bbl/day project (The "PR Spring Project") to first oil;
- Selected Kellogg Brown & Root LLC ("KBR") to provide project and construction management services for the PR Spring Project. Working jointly with US Oil Sands, KBR will work to bring extraction facilities and mine development to commercial startup;
- Completed an extended duration pump test of the deep aquifer, confirming the supply and delivery capabilities of the water source for the PR Spring Project and expansion;
- Initiated the opening of the PR Spring Project site through supply of road-building materials for a state-funded road building project; and
- Received a favorable ruling from the Utah Board of Oil, Gas and Mining regarding a challenge to the Company's large mine permit.

"2013 was a pivotal and transformational year for our Company, as we were able to successfully complete an \$81 million equity financing that fully funds the development of our 2,000 bbl/day PR Spring Project," said Cameron Todd, CEO of US Oil Sands. "Having recently engaged KBR to lend their world-class expertise to the engineering and project management of the PR Spring Project, our attention is now squarely focused on progressing operations towards commercial startup in mid-2015."

## **OPERATIONAL HIGHLIGHTS**

During 2013, the Company continued to work with its engineering consultants and equipment suppliers to enable initiation of project work on Phase 1 of the PR Spring Project. Project construction, management and consulting contracts have been

awarded to KBR, FLSmidth USA Inc., and Norwest Corporation.

Work on the PR Spring Project site was initiated through an agreement to supply water and raw road-building materials for a state-funded road construction project. US Oil Sands permitted and mobilized a man-camp to support field operations. Crushed aggregate for the road was obtained from areas within the Company's planned mine pit. This allowed the Company to initiate mine-opening earlier and reduce future mining costs while eliminating surface disturbance from a separate gravel supply pit. Pumping equipment was installed to bring the production water well to operational status. In supplying water for the road project, US Oil Sands was able to concurrently execute an extended duration pump test of the deep aquifer. This three month test exceeded previous ground water model predictions and confirmed the supply capability of project water supply for future expansion. This water installation will now be used as a key part of the Phase 1 mining and extraction project.

On October 18, 2013, the Company closed an \$81 million private equity financing, issuing 540,036,331 Common Shares at a price of \$0.15 per Common Share. The price per share represented close to a 50% premium to the then market trading price of the Company's shares. Following completion of the financing, and as at December 31, 2013, the Company had a total of 852,892,395 Common Shares outstanding on a non-diluted basis. The Company intends to use proceeds from the financing to complete the first phase of the commercial development of the PR Spring Project and to accelerate future production phases. Proceeds raised in excess of those required to fund the PR Spring Project will allow the Company to initiate corporate development activities that may include the acquisition of, or participation in, other oil sands assets.

In connection with the financing, Serafino Iacono, Ronald Pantin, Stephen Lehner, and Alfred Holcomb were appointed to the Company's Board of Directors, joining continuing directors Ed Chwyl, Cameron Todd and Verne Johnson.

## **SUMMARY OF SELECTED 2013 FINANCIAL RESULTS**

The following financial data was selected from the Company's consolidated financial statements which have been prepared using the accounting policies under IFRS as issued by the International Accounting Standards Board.

December 31	2013	2012	2011
Total assets	95,204,711	20,957,317	14,074,958
Net loss	(7,747,681)	(4,396,126)	(3,993,101)
Total comprehensive	(6,849,989)	(4,608,059)	(3,857,128)



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loss			
Cash used in operations	(4,980,923)	(3,548,596)	(2,445,410)
Loss per share – basic and diluted	(0.02)	(0.02)	(0.02)

As at December 31, 2013, the Company had cash and cash equivalents of \$77,582,389, net working capital of \$77,267,313 and no commitments for capital expenditures. The Company intends to use its cash and cash equivalent balance to fulfill its current liabilities and fund its PR Spring Project. The Company has no bank debt or banking credit facilities in place.

### **SUBSEQUENT EVENTS**

A former Director of the Company exercised 250,000 options at an exercise price of \$0.115 per share on January 14, 2014. On January 16, 2014, 1,250,000 options with a weighted average exercise price of \$0.154 that had been granted to former Directors expired.

### **OUTLOOK**

For the remainder of 2014, US Oil Sands will continue to focus on site preparation and construction of the PR Spring Project, including final project engineering and procurement of necessary equipment and supplies. In keeping with these activities, management anticipates that the majority of off-site fabrication of the process extraction plant will be completed in 2014, with final field assembly and commercial start-up expected to occur in 2015.

As a part of its longer term strategic objectives, US Oil Sands intends to pursue additional opportunities both through exploration and acquisition of additional resource lands. Also as part of this strategy, management intends to further its regulatory application efforts on its Utah properties, to ensure a ready inventory of future mineable assets for the Company.

### **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 Company is in the pre-production stage, anticipating

the commencement of bitumen production and sales in 2015.

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, the development and construction of the PR Spring Project, commencement of commercial production and corporate development activities. 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.

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.

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