

**CALGARY, ALBERTA August 28, 2015** – US Oil Sands Inc. ("**US Oil Sands**" or the "**Company**") (TSXV: USO), a company focused on oil sands exploration and production in Utah, having developed a proprietary technology that addresses both the low oil price commodity markets and the continued environmental pressures facing the oil sands industry, today announced that it has filed its unaudited interim financial statements ("**Interim Report**") for the three month period ended June 30, 2015 ("**Q2 2015**") 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).

The second quarter for US Oil Sands marked the commencement of 2015 field construction at the PR Spring Project site as utility infrastructure, piles and foundations and pipeline work began. This has been followed by a steady stream of equipment deliveries and subsequent installation as the various elements of the PR Spring Project are completed in readiness for commercial start-up in the fourth quarter.

"After several years of testing, design and preparation, it is exciting to see all the facets of our project come together", said Cameron Todd, CEO of US Oil Sands. "We are quickly closing in on the finish line with mechanical completion scheduled in just weeks. The project is on budget and targeted for first oil in the fourth quarter. By year-end we expect to be demonstrating our breakthrough extraction technology by delivering clean oil to market from the world's first commercial oil sands mining and extraction project that does not require a tailings pond. There are a lot of eyes on us and we look forward to fulfilling expectations of the most capital-efficient and environmentally-responsible oil sands project".

## **SELECTED QUARTERLY HIGHLIGHTS**

Since April 1, 2015, the Company:

- Engaged additional construction management team members, recruited operations management and staff, administration and health, safety and environment personnel.
- Commenced field work in early May with construction of foundations and pilings, trenching and underground utilities, water and gas supply pipelines, pipe racks, construction office and security command post;
- Received key pieces of equipment at PR Spring Project site which were fabricated off-site including primary and secondary separation vessels, a

- rotating mixer, a clarifier, and a spiral vapour condenser;
- Initiated construction of mine opening including haul roads, over-burden removal and topsoil preservation and storage;
- Received a favourable ruling from the Utah Division of Oil, Gas and Mining regarding a challenge to the amendment to the Company's Large Mine Permit whereby the Company applied to optimize the mining sequence at PR Spring which reduces the size of storage areas required for overburden and tailings;
- Upgraded the Company's pilot demonstration unit located at our Grande Prairie, Alberta research and development facility; and
- Issued favorable results of testing completed on Canadian oil sands from the Athabasca region of Alberta to Alberta-based research partners. Tests showed USO's process was notably effective on deposits with low grade bitumen and high clay fines.

"The company's modular approach to construction has allowed a great deal of off-site fabrication and packaging to take place at multiple staging points, said Cameron Todd, CEO of US Oil Sands. "These modules are now converging on the PR Spring site for final erection and have allowed the Company to greatly increase efficiency, contain costs and improve quality".

## **OPERATIONAL HIGHLIGHTS**

The second quarter was the most visibly busy quarter in the Company's history. With the PR Spring Project on budget and scheduling for first oil in the fourth quarter, the pace of field activity is being matched by behind-the-scenes preparation for a safe and smooth commissioning and start-up. As equipment deliveries to Utah based fabrication shops continued, systems were fabricated and packaged for field delivery throughout Q2 and will continue into Q3 2015.

The Company's PR Spring Project Team and Operations Team are focused on delivering, commissioning and starting up the Project in Q4 2015. The Company's recruiting program to hire 21 operations personnel commenced in early 2015 with excellent success, and efforts continue as the Company looks to hire and train the remaining plant operators, quality assurance and ore control technicians by the end of Q3 2015.

## **OUTLOOK**

The Company will continue to execute on Phase 1 of the PR Spring Project with on-site erection and installation of the process extraction plant modules as they arrive to site in accordance with the Company's Construction Execution Plan. Field assembly

will continue throughout Q3 2015, followed by commissioning and commercial start-up in Q4 2015.

The Company anticipates having sufficient funds to complete the PR Spring Project however in light of the continued low oil price environment together with the potential for unexpected completion, start-up and operating costs, the Company believes it is prudent to pursue a financing to provide a modest working capital cushion as operations increase to the planned 2,000 barrel per day capacity.

Management will continue to investigate and pursue business development opportunities for the Company's technology, including expansion of its Utah business, as well as opportunities to work with Athabasca oil sands developers to demonstrate the technology's favourable extraction capabilities. The Company will broaden its working relationships with leaseholders and government agencies supporting development of Canadian and Utah oil sands.

#### **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 resource estimates, the development and construction of the PR Spring Project, commencement of commercial production, financing 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.

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. Best estimate is considered to be the best estimate of the quantity that will actually be in-place. It is equally likely that the actual remaining quantities in-place will be greater or less than the best estimate. 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 and dated December 31, 2014 and available on SEDAR at [www.sedar.com](http://www.sedar.com).



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