



**CALGARY, ALBERTA November 27, 2015** – 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 unaudited interim financial statements ("**Interim Report**") for the three and nine month period ended September 30, 2015 ("**Q3 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).

During the third quarter, US Oil Sands continued to make substantial progress in all areas of the PR Spring Project, moving towards mechanical completion of the process extraction plant. Most key pieces of process equipment were delivered to site and either set in place or staged for installation early in the fourth quarter. Mine construction was substantially completed including construction of haul roads, overburden removal to the top of the first oil sands bed, and topsoil preservation and storage; an important element in the Company's unique concurrent reclamation plan. The Company has experienced some delay in final engineering of piping, electrical, and instrumentation and delivery of certain equipment components, resulting in the Company now expecting commissioning and commercial start-up to occur in Q1 2016.

The Company also is pleased to advise that it has reached agreement in principle for a US\$10 million financing in consideration of granting a royalty on bitumen production. Parties are working towards definitive agreements and necessary approvals. Management expects to close the financing by year-end.

"We are pleased to be working towards completion of our Utah project and excited to be able to successfully demonstrate the commercial effectiveness of our breakthrough technology during the 2016 operating year," said Cameron Todd, CEO of US Oil Sands. "Completion of this project during one of the most challenging environments seen by our industry will be an outstanding achievement."

## **SELECTED QUARTERLY HIGHLIGHTS**

Since July 1, 2015, the Company:

- Received at site for erection and installation most of the remaining key pieces of process equipment including the paddle dryer, disk stack centrifuge, modular electrical house, office and control room buildings, bulk storage tanks and the heat recovery steam generator;
- Completed main pipe rack construction and commenced tank farm construction;
- Completed all civil work including foundations and pilings, trenching and underground utilities, water supply pipeline and main gas tie-in from a commercial supply pipeline;
- Developed a commissioning and start-up plan with the assistance of an experienced third party engineering firm;
- Substantially completed all project engineering;
- Completed programming of the facility's automated process control system; and
- Substantially completed work on the mine opening activities, including haul roads, over-burden removal, and topsoil preservation and storage.

In order to provide shareholders, media and other interested stakeholders with a graphic representation of some of these milestones, the Company's home page of its website ([www.usoilsandsinc.com](http://www.usoilsandsinc.com)) has been enhanced with a photo gallery capturing the construction progress of the PR Spring Project. Additional pictures will be added as the project progresses to commercial production with a goal of improving shareholder communication and market visibility.

## **OPERATIONAL HIGHLIGHTS**

The pace of field activity in the third quarter matched that of the previous quarter and saw significant milestones achieved on the processing plant construction and the mine opening. The Company did however experience the delayed receipt of certain equipment as well as the delay in receipt of final engineering of piping, electrical and instrumentation. As a result, the Company elected to perform more field installation of these elements.

Preparation for a safe and smooth commercial start-up continued with the development of a commissioning and start-up plan in conjunction with a specialized engineering firm. US Oil Sands successfully hired its lead operations personnel and began training activities utilizing the Company's pilot processing unit at its Grande

Prairie research and development facility. With the majority of the Company's recruiting program complete, the few remaining operations positions are now expected to be filled early in the new year.

## **SUBSEQUENT EVENTS**

Subsequent to the quarter-end, US Oil Sands engaged McDaniel & Associates Consultants Ltd. ("**McDaniel**") as its go-forward independent resource evaluators. McDaniel is one of the world's leading petroleum consulting firms specializing in reserves evaluations and resource assessments and has been evaluating oil sands resources and production since the start of the very first commercial steam assisted gravity drainage project in Canada. Their strong technical expertise combined with their experience evaluating new production technologies strategically fit US Oil Sands' objectives of commercializing its revolutionary bitumen extraction process.

## **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 in accordance with the Company's Construction Execution Plan. Field assembly will continue throughout Q4 2015 and into the first quarter of 2016, followed by commissioning and commercial start-up, which is also expected to be complete in Q1 2016.

The Company is focused on its primary success measures of achieving high oil recovery, eliminating tailings ponds, high solvent recovery and recycle rates, low capital intensity, and continuous and safe operations and anticipates that the successful demonstration of these characteristics of the PR Spring Project will open up expansion opportunities as well as future developments in other oil sands areas outside of Utah.

Management will continue to investigate and pursue business development opportunities for the Company's technology, including opportunities to work with Canadian oil sands developers, leaseholders and government agencies supporting development of Canadian oil sands.

The Company is also evaluating and assessing specific markets for sales of crude oil and other petroleum products, along with optimal logistics of moving these products to market.



## **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 Q1 2016.

The foregoing 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, commencement of commercial production, completion of proposed 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 Canadian securities regulatory authorities (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 proposed financing remains subject to negotiation of definitive agreements and obtaining all regulatory approvals and accordingly there is no certainty that the transaction will be completed on the terms described herein or at all. 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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