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**CALGARY, ALBERTA February 17, 2017** – US Oil Sands Inc. ("**US Oil Sands**" or the "**Company**") (TSXV: USO), an innovator of oil extraction technologies, announces that it has reached agreement with various service providers to reinstate work on the PR Spring Project (the "**Project**") through the deferral of payments and/or the issuance of shares on outstanding accounts.

"We are pleased that the Company continues to have the support of the contractors who have diligently contributed to the construction and commissioning of the Project," said Cameron Todd, CEO of US Oil Sands. "As the Company continues to carefully manage its most recent capital infusion, the ability to defer or settle its accounts payable liabilities through the issuance of shares provides the Company with additional operational and financial flexibility. We can now look forward to completing commissioning procedures, beginning operations, and achieving our goal of making first-oil early in 2017 and profitably demonstrating the Company's commercial technology."

## **SHARES FOR DEBT AGREEMENTS**

The Company has entered into agreements with four of its service-provider creditors to issue 793,857 common shares in the capital of the Company ("**Common Shares**") at a deemed price of C\$1.15 per Common Share in settlement of an aggregate of C\$912,934 in debt.

The issuance of the Common Shares to creditors as described herein is subject to acceptance of the TSX Venture Exchange.

The Company anticipates entering into further agreements with service-provider creditors.

## **PR SPRING PROJECT UPDATE**

The Project commissioning recommenced in early February as employees and contractors were brought back to site in a staged basis allowing for a coordinated and safe return-to-operations.

The Company expects to complete commissioning and initiate start-up operations over the next 8 – 10 weeks. Following successful initial operations, the Company anticipates ramping up to capacity.



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## 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 once it has completed commissioning and start-up of the Project.

The foregoing contains forward-looking information relating to the future performance of the Company including obtaining approval of the TSX Venture Exchange in respect of the current and anticipated shares for debt transactions ("transactions") described herein, closing of the transactions, the Company's ability to enter into agreements with other service-provider creditors, expectations that the Company will complete commissioning, start-up and operate Phase 1 of the Project during 2017, and that production will reach the expected capacity. 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 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:

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| US Oil Sands Inc.<br>Cameron Todd, CEO or Glen Snarr, President &<br>CFO<br>Suite 1600, 521 – 3 <sup>rd</sup> Avenue SW<br>Calgary, Alberta T2P 3T3<br>Tel: +1 403 233 9366<br>Email: <a href="mailto:info@usoilsandsinc.com">info@usoilsandsinc.com</a> | Investor Relations<br>Jack Copping, Manager, Corporate Development<br><br>Suite 1600, 521 – 3 <sup>rd</sup> Avenue SW<br>Calgary, Alberta T2P 3T3 |
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Website: [www.usoilsandsinc.com](http://www.usoilsandsinc.com)

Tel: +1 403 233 9366 ext. 27

Email: [jack.copping@usoilsandsinc.com](mailto:jack.copping@usoilsandsinc.com)