

## **US Oil Sands Inc. Announces Third Quarter Results and Advances Utah Expansion Plans**

**CALGARY, ALBERTA November 8, 2012** – 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 nine month period ended September 30, 2012 ("Q3 2012") 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 THIRD QUARTER OPERATIONAL & FINANCIAL HIGHLIGHTS:**

- Completed 2012 field work program including drilling 37 core holes to define new project areas on the PR Spring Development Block
- Received Canadian patent on proprietary bitumen extraction methodology
- Favourable ruling by Utah Administrative Law Judge supporting PR Spring Permit
- Substantial progress on joint venture investment process

"Our third quarter was characterized by significant advancement of our PR Spring Project both for Phase 1 which we expect to construct during 2013, and additional expansion phases which we plan to develop to a total of 20,000 barrels per day in subsequent years," said Cameron Todd, CEO of US Oil Sands. "During the quarter, we executed another successful field program on our 5,930 acre development project, while also receiving approval of the Canadian patent. Regulatory affairs were furthered by the favorable ruling from an independently appointed Utah Administrative Judge which ultimately underscored the exceptional environmental attributes that our oil sands extraction process possesses. We view these events as significant milestones as we head towards the PR Spring Project's mine construction program in 2013 and subsequent expansion over the following 5 years."

### **THIRD QUARTER HIGHLIGHTS**

Major activities in the third quarter ("Q3 2012") included completion of the 2012 field work program and continuation of work with engineering consultants and equipment suppliers on equipment specification and orders for the PR Spring Phase 1 Development Project.

A coring program consisting of 37 core holes, drilled to an average depth of approximately 200 feet, delineated additional commercial bitumen deposits on the PR Spring development block. The program was highly successful as all wells found bitumen pay, and several new mine areas are being designed. The results of these core holes will be integrated into the Company's resource models and evaluated by the Company's independent resource evaluators for inclusion in the annual resource report in compliance with National Instrument 51-101 – Standards for Disclosure of Oil and Gas Activities.

The Company also completed additional testing of mining equipment on the PR Spring test mine, as well as water supply capabilities for the project.

On August 29, 2012, the Company received the Recommended Order from Administrative Law Judge Sandra K. Allen who was appointed by the Utah Department of Environmental Quality to preside over the May 16-17, 2012 hearing. The hearing was initiated through a Request for Agency Action filed by a Utah-based environmental organization in April 2011 against the Utah Division of Water Quality claiming that the Division of Water Quality improperly issued a permit-by-rule to the Company. Judge Allen's Recommended Order issued to the Utah Water Quality Board supported the Company's conclusion that shallow groundwater has not been located and may be assumed absent in the project area. The Judge further found that "US Oil Sands' proposed operation does not present a greater than de minimis risk of affecting the groundwater." Judge Allen's Recommended Order denied the relief sought by the intervener in its Request for Agency Action and was considered by the Utah Department of Environmental Quality's Water Quality Board in its October 24, 2012 meeting, which was authorized to rule in the matter. The Utah Department of Environmental Quality's Water Quality Board voted by a 9-2 margin to support the Company's permit and the decision was published on November 1, 2012 by the chairman of the Water Quality Board.

As announced on September 6, 2012, the Company received notice of the approval of the patent application relating to its bitumen extraction process from the Canadian Intellectual Property Office. The Company has since made the required filings and fees and expects the Original Letters of Patent to be issued in the name of US Oil Sands Inc. by the end of 2012.

### **PR Spring Expansion Project**

Based on the results of the Company's coring programs, several new project areas have been identified for development on the PR Spring Development Block. The Company is developing engineering mine plans for these areas and intends to apply for permits to expand the project. The Company plans to use the existing Phase 1

plant site to increase targeted processing capacity to a total of 20,000 BPD by 2017. Notable synergies will be gained through the use of existing infrastructure at the Phase 1 site, and the Company's concurrent mine reclamation practices are expected to result in a minimal increase to the project footprint.

Through construction of this project, the Company expects to invest approximately \$300 million in development. This investment will have a significant positive impact on the Utah and US economies. Through the resulting increase in energy production, Utah will benefit from job creation, taxes and royalty revenues which the State directs to public education through the School and Institutional Trust Lands Administration.

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For the remainder of 2012, the Company will continue to focus on advancing the PR Spring Project towards a robust field/mine construction program in 2013. More specifically, additional engineering, procurement of major equipment, and final site design of the PR Spring Project Area are all expected to take place during the balance of 2012. The majority of process equipment fabrication and mine construction on the Phase 1 project will occur in 2013.

Management intends to continue its pursuit of opportunities to add additional resource lands by assessing growth opportunities both in Utah as well in other oil sands areas.

With the assistance of Dundee Capital Markets Inc. and EAS Advisors, LLC, US Oil Sands is also continuing the process of marketing and closing a joint venture financing. This process is ongoing, with Management remaining committed to finding a partner that best fits the financial and technical/strategic requirements of the PR Spring Project, its future expansion phases and potential new projects.

### **ABOUT US OIL SANDS LTD.**

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 majority of process equipment fabrication and mine construction on Phase 1 to be undertaken 2013, and developing capacity on its PR Spring Development Block through additional expansion phases to a total of 20,000 barrels per day in

subsequent years.

The foregoing information 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, resource estimates, target production levels and joint venture financing arrangements. 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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