

**CALGARY, ALBERTA December 23, 2016** – US Oil Sands Inc. ("**US Oil Sands**" or the "**Company**") (TSXV: USO), an innovator of oil extraction technologies, announces an update on its previously announced financing and the PR Spring Project (the "**Project**").

The Company has made application to the TSX Venture Exchange (the "**Exchange**") for approval of certain terms of the US\$7.5 million financing (the "**Financing**") with ACMO S.à R.L. ("**ACMO**"), the Company's largest shareholder. The Exchange has indicated its approval of the Financing subject to certain conditions. The Company is working to satisfy these conditions. Should these conditions be met, the Company intends to close the Financing on or before January 6, 2017.

The Company successfully completed equipment preservation and lay-up of its oil sand extraction facility and intends to resume activities at the Project site upon completion of the Financing.

#### **CONDITIONS OF EXCHANGE APPROVAL**

As a condition of approval, the Exchange requires a majority of disinterested shareholders to provide their written consent. ACMO is the only shareholder who has an interest in the Financing and would be excluded from providing consent for purposes of satisfying this condition.

The Company has determined that holding a special meeting of shareholders to obtain approval would unnecessarily delay closing and resumption of Project activities. Accordingly, the Company has prepared a form of shareholder consent letter which provides shareholders the opportunity to provide their consent for the Financing. The Company will immediately contact its largest shareholders to request their consent.

A second condition of approval imposed by the Exchange is the consolidation of the Company's common shares (the "**Consolidation**"). The Consolidation was approved at the May 18, 2016 Annual and Special Meeting of Shareholders pursuant to a special resolution to consolidate the issued and outstanding common shares on the basis of one post-consolidation common share for up to every 100 pre-consolidation common shares or such lesser ratio that the directors in their sole discretion determine to be appropriate. The Company has initiated the process to undertake the Consolidation of one post-consolidation common share for every 50 pre-consolidation common shares. The Consolidation is subject to receipt of all regulatory approvals.

"This is an important step for all stakeholders of the Company" said Cameron Todd, CEO of US Oil Sands. "This capital is necessary to allow the Company to proceed with the final commissioning steps and enabling us to start-up and operate the PR



Spring Project. Without this Financing, the Company would not have the necessary capital to demonstrate the Company's value proposition and environmental benefits of its proprietary patented technology, both of which we believe will enhance shareholder value. This Financing is believed to be in the best interest of all shareholders. We are looking forward to making first oil early into 2017 and profitably demonstrating the Company's commercial technology."

## **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 information relating to the development and construction of the Project, expectations that the Company will complete commissioning, start-up and operate Phase 1 of the Project during 2017, and expectations relating to completion of the Financing and Consolidation on the terms contemplated herein, construction activities, capital requirements 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. In particular, forward looking statements regarding the completion of construction, commission, start-up and operation of the Project are subject to the necessary financing being obtained to complete these steps and the Financing and Consolidation is subject to negotiation of definitive agreements and obtaining all necessary approvals and waivers from the Exchange and satisfying any conditions that may be imposed by the Exchange. There is no certainty that the Financing, Consolidation or the Project will be completed within the time contemplated herein.

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.



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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:

<p>US Oil Sands Inc. Cameron Todd, CEO or Glen Snarr, President &amp; CFO Suite 1600, 521 – 3<sup>rd</sup> Avenue SW Calgary, Alberta T2P 3T3 Tel: +1 403 233 9366 Email: <a href="mailto:info@usoilsandsinc.com">info@usoilsandsinc.com</a> Website: <a href="http://www.usoilsandsinc.com">www.usoilsandsinc.com</a></p>	<p>Investor Relations Jack Copping, Manager, Corporate Development Suite 1600, 521 – 3<sup>rd</sup> Avenue SW Calgary, Alberta T2P 3T3 Tel: +1 403 233 9366 ext. 27 Email: <a href="mailto:jack.copping@usoilsandsinc.com">jack.copping@usoilsandsinc.com</a></p>
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