

**August 29, 2011** – Calgary, Alberta: US Oil Sands Inc. (“US Oil Sands”) (TSXV: USO.V) is pleased to announce that it has filed its unaudited interim financial statements (“Interim Report”) for the six month period ended June 30, 2011 (“Q2 2011”) 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)

### **Operational Update**

US Oil Sands’ core hole drilling program is proceeding as planned. Cameron Todd, CEO of US Oil Sands announced today that “With the completion of 119 out of a planned 145 core holes on our development property at PR Spring, Utah, the drilling program has already been a great success. Our results to date have met or exceeded expectations, and the program is on time and on budget. The company has discovered and confirmed the presence of significant bitumen resources on our development acreage and we intend to continue with final design of the PR Spring commercial bitumen mining project.”

The drilling program is on target for completion in late September. Laboratory assay and analysis of the recovered core is expected to be complete in the fourth quarter, and results will be used for final planning of the PR Spring Development Project as well as for completion of the company’s year end NI51-101 independent resource assessment.

US Oil Sands has recently added a third rig to the program with the capability of drilling to a deeper depth of 500 feet in order to fully assess US Oil Sands’ newly acquired 23,850 acre exploration land. US Oil Sands has also acquired an additional 320 acres of leasehold land contiguous to the 23,850 acres of exploration acreage. The company will seek to continue to expand its prospective bitumen land position as opportunities become available.

### **Engagement of Financial Advisors**

US Oil Sands also wishes to announce that it has engaged EAS Advisors LLC (“EAS”) of New York, NY. EAS’ mandate is to provide general advice and counsel on equity capital markets including securing research coverage, introduction to select financial investors, and investor relations. Subject to the approval of the TSX Venture Exchange (the “TSXV”), the terms of the engagement agreement shall include the issuance of 2 million warrants for the purchase of shares in US Oil Sands Inc. The



timing of issuance and price of the warrants is currently subject to regulatory review and approval. If approved, US Oil Sands will issue the warrants and announce terms thereof together with deemed price per security to be issued in exchange for the services provided.

About US Oil Sands Inc.

US Oil Sands is engaged in the exploration and development of oil sands properties. The Company, through its wholly owned US subsidiary, has a 100% interest in bitumen leases covering 32,005 acres of land in Utah.

US Oil Sands plans to develop its oil sands properties using its patent-pending extraction process. This process is an efficient and environmentally responsible approach to oil sands development. Using a bio-solvent, US Oil Sands is able to separate bitumen from oil sand without the need for tailings ponds. The process requires low energy input, recycles 95% of the water used and uses best practice mining methods to rapidly reclaim mined areas. US Oil Sands has received a permit to construct the PR Spring Bitumen Mining commercial project on its Utah property and is currently in the final design stage targeting first production in 2013.

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US Oil Sands corporate presentation may be viewed at the company's website [www.usoilsandsinc.com](http://www.usoilsandsinc.com).

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 news release.

This news release contains certain forward-looking statements including but not

limited to US Oil Sands planned core hole drilling and evaluation program, resource evaluation program, future development plans, regulatory approval of its agreement with EAS and application of its proprietary extraction process. The forward-looking statements contained in this document are solely opinions and forecasts which are uncertain and subject to risks. Forward-looking statements include but are not limited to uncertainties and other factors which may cause the actual results, performance or achievements of US Oil Sands to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to a number of known and unknown risks and uncertainties. These risks include, but are not limited to the risks associated with the oil sands industry, exploration, development and production, delays or changes in plans, changes to capital costs, the uncertainty of geological and resource interpretations, the uncertainty of estimates relating to production, costs and expenses, and health, safety and environmental risks, the risk of commodity price fluctuation, the risk of changing general economic conditions, the risks of obtaining and maintaining regulatory approvals and the ability to obtain sufficient capital from external sources.

Additional risks and uncertainties affecting US Oil Sands and its business plans and affairs are described in US Oil Sands filing statement dated April 7, 2011 available at [www.sedar.com](http://www.sedar.com). Although US Oil Sands believes that the expectations in such forward looking information are reasonable, there can be no assurance that such expectations shall prove to be correct. The forward looking information included herein is made as of the date of this news release and US Oil Sands assumes no obligation to update or revise any forward looking information to reflect new events or circumstances, unless required by law.