



**CALGARY, ALBERTA September 16, 2013** – US Oil Sands Inc. (“**US Oil Sands**” or the “**Company**”) (TSXV: USO), a company focused on oil sands exploration and production in the State of Utah, today announced the signing of a letter of intent (the “Letter of Intent”) with Blue Pacific Investments Group Ltd., Anchorage Capital Group, L.L.C. and Spitfire Ventures, LLC (the “Strategic Investors”). Under the terms of the Letter of Intent, US Oil Sands will issue up to \$80 million of common shares of the Company at an issue price of \$0.15 per common share in a private placement financing (the “Offering”). The issue price represents a 49% premium to the 20 day volume weighted average trading price of the Company’s common shares. Collectively, the Strategic Investors would hold approximately 63% of the issued and outstanding common shares of the Company after giving effect to the Offering. The Offering is expected to close on or about October 15, 2013 and is subject to the parties entering into definitive agreements and customary closing conditions, including due diligence as well as shareholder and TSX Venture Exchange approval. The Strategic Investors have an exclusivity period of forty five days within which to enter into definitive agreements in respect of the Offering. Management and directors of the Company unanimously support the transaction.

Upon closing, the Company’s board of directors (the “Board”) shall be reconstituted to include Serafino Iacono, Ronald Pantin, Rod Lewis, Kevin Ulrich, and Frank Giustra. Verne Johnson, Cameron Todd and Ed Chwyl will remain in their roles as directors of the Company, with Verne Johnson remaining as Chairman of the Board. Departing from the Board will be Douglas Hunter, James Banister and Ken Stephenson.

“This transaction is a transformational one for our Company, as it fully funds Phase 1 of our PR Spring Project in Utah and bolsters our Board with a group that brings world-class expertise, financial backing and relationships,” said Cameron Todd, CEO of US Oil Sands. “Partnering with these strategic investors has greatly enhanced and fast-tracked the future prospects of our Company and increased our potential to export our proprietary, environmentally-responsible method of oil sands extraction into other global jurisdictions, including Canada and Latin America.”

Mr. Todd added: “On behalf of the entire Company, I wish to thank our retiring directors for the exceptional leadership and financial support they have provided since joining the Board over seven years ago. They have played a key role in guiding the Company to its current level of success.”

The Company intends to use proceeds from the Offering to finalize the first phase of the commercial development of the PR Spring Project and to accelerate future production phases. The Company’s PR Spring Property spans 32,005 acres of land in Utah’s Uinta basin and, according to a resource report prepared by Sproule



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Unconventional Limited dated April 29, 2013 and effective as of February 28, 2013, contains an estimated 184.3 MMbbl of discovered petroleum (bitumen) initially-in-place. For additional information, please refer to the Company's Form 51-101F1 – Statement of Resources Data and Other Oil and Gas Information available on SEDAR at [www.sedar.com](http://www.sedar.com).

Together with funding the expenditures related to the closing of the Offering and general corporate purposes, proceeds raised in excess of those required to fund the PR Spring Project allow the Company to immediately initiate corporate development activities that may include the acquisition of or participation in other oil sands assets located outside the State of Utah. The Company intends to develop oil sand resources using its patented bio-solvent technology that achieves best-in-class environmental benchmarks and capital efficiencies.

After giving effect to the Offering, the Company will have 846,164,397 common shares issued and outstanding.

Canaccord Genuity Corp., EAS Advisors, LLC through Merriman Capital, Inc., and Fiore Management & Advisory Corp. acted as financial advisors to US Oil Sands in connection with the Offering.

## **ANALYST AND INVESTORS CONFERENCE CALL**

US Oil Sands will be hosting a conference call to discuss the Offering on Tuesday, September 17, 2013 at 10:30 a.m. Eastern Daylight Time. To access the conference call, please dial 1-888-231-8191. If dialing internationally (outside of North America) the conference call can be accessed by calling 1-647-427-7450. Participants must request the US Oil Sands Analyst & Investor Conference Call.

A replay of the conference call will be available through September 23, 2013. To access the replay, dial 1-855-859-2056 (North America) or 1-416-849-0833 (International) and enter reservation number 63838351 followed by the number sign.

Participants will include Cameron Todd, Chief Executive Officer, Glen Snarr, President and Chief Financial Officer, and selected members of senior management.

## **BOARD OF DIRECTORS APPOINTEES**

### **Serafino Iacono**

Serafino Iacono is the Co-Chairman and an Executive Director of Pacific Rubiales Energy Corp. (TSX: PRE; BVC: PREC; BOVESPA: PREB) ("Pacific Rubiales"). Mr.

Iacono has been involved in the financing and development of mining, oil and other resources projects in the United States, Latin America and Europe for over 28 years and has raised more than four billion dollars for numerous natural resource projects. He is a founding member of Blue Pacific Investments Group Ltd., which owns investments in infrastructure, mining, oil and gas and farming assets. Currently, Mr. Iacono is also a Director and Executive Co-Chairman of Gran Colombia Gold Corp. (TSX: GCM) and CGX Energy Inc. (TSXV: OYL) as well as a Director of Pacific Coal Resources Ltd. (TSXV: PAK).

### **Ronald Pantin**

Ronald Pantin is the Chief Executive Officer and an Executive Director of Pacific Rubiales and has overseen its significant growth to over 130,000 boe/d of net average daily production.

Pacific Rubiales, a Canadian company and producer of natural gas and crude oil, owns 100% of Meta Petroleum Corp., which operates the Rubiales, Piriri and Quifa heavy oil fields in the Llanos Basin, and 100% of Pacific Stratus Energy Colombia Corp., which operates the La Creciente natural gas field in the northwestern area of Colombia. Pacific Rubiales has also acquired 100% of PetroMagdalena Energy Corp., which owns light oil assets in Colombia, and 100% of C&C Energia Ltd., which owns light oil assets in the Llanos Basin. In addition, the Company has a diversified portfolio of assets beyond Colombia, which includes producing and exploration assets in Peru, Guatemala, Brazil, Guyana and Papua New Guinea.

A veteran of the Venezuelan oil industry, Mr. Pantin has held numerous high-profile positions with the Venezuelan state-owned energy company, PDVSA, throughout his career including Vice President of Corpoven, Vice President of PDVSA E&P, President of CVP, President of PDVSA Exploration, President of PDVSA Services, and Executive Vice President of PDVSA Oil & Gas. Mr. Pantin is also a director of Pacific Coal Resources Ltd. and CGX Energy Inc. Mr. Pantin holds Bachelors of Science degrees in Petroleum Engineering and Management Science from Mississippi State University with the highest distinction in 1975 and Masters of Science degrees in Petroleum Engineering and Industrial Engineering from Stanford University in 1977.

### **Rod Lewis**

Rod Lewis is the founder and CEO of Lewis Energy Group (“LEG”). Mr. Lewis has been actively involved in the oil and gas industry since 1978. Since its inception in the early 1980s, LEG has steadily grown and now controls over 400,000 acres of lands in the Eagle Ford shale trend of South Texas, together with operations in

Mexico and Colombia. In addition to LEG, Mr. Lewis engages in other opportunities through entities like Spitfire Ventures, LLC. Mr. Lewis is a hands-on executive and self-made oil man. Aside from oil and gas, Mr. Lewis' passion is his vintage warbird collection, known as Lewis Air Legends. Son of an Air Force pilot, his vintage warbird collection includes 24 aircraft, most of them the classic WWII warbirds and is regarded as one of the top vintage warbird collections in the world. He serves on the Board of Directors for the Smithsonian Air and Space Museum.

### **Kevin Ulrich**

Kevin Ulrich is the Chief Executive Officer and Portfolio Manager at Anchorage Capital Group, L.L.C. which he co-founded in 2003 and is a Managing Member at Anchorage Advisors Management L.L.C. Previously, he ran the proprietary debt-trading operation at Goldman Sachs.

### **Frank Giustra**

Mr. Giustra is President and Chief Executive Officer of Fiore Financial Corporation, a private firm managing a broad portfolio of private equity investments. Mr. Giustra has an established track record of building natural resource companies through access to capital and creative deal-making. As President and later Chairman and Chief Executive Officer of Yorkton Securities in the 1990s, he grew the firm into a leading natural resource investment bank. As Chairman of Endeavour Financial from 2001 to 2007, his vision and leadership led to the successful launch of numerous resource companies, including Wheaton River Minerals (acquired by Goldcorp), Silver Wheaton and Pacific Rubiales Energy. Mr. Giustra's entrepreneurial successes also include the founding of Lionsgate Entertainment, now one of the world's largest independent film companies. Frank Giustra is a member of the board of the International Crisis Group, Lionsgate Entertainment, Petromanas Energy Inc., Streetohome Foundation and a Trustee of the Boston's Museum of Fine Arts. He is also founder and President of The Radcliffe Foundation. In 2007, Frank Giustra and Former President Bill Clinton launched the Clinton Giustra Enterprise Partnership, alleviating poverty in the developing world through education, training and supply chain distribution.

### **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 foregoing information contains forward-looking information relating to the future performance of the Company including information relating to the terms of the Offering and the timing of completion of the Offering, changes to the board of directors of the Company, the use of proceeds of the Offering, the development of the PR Spring Project, resource estimates, corporate development activities and international opportunities. 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, receiving regulatory and shareholder approval for the Offering, 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. In particular, the completion and timing of the Offering is based on a number of assumptions including definitive agreements being entered into by the parties and all necessary approvals being obtained from shareholders, the TSX Venture Exchange and third parties. 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. There is no assurance that the Offering will be completed in the manner contemplated 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.

Discovered bitumen resources or discovered bitumen initially-in-place is that quantity of bitumen that is estimated, as of a given date, to be contained in known accumulations on Company lands prior to production. There is no certainty that it will be commercially viable to produce any portion of the resources. Additional information relating to resource estimates is contained in the Company's Statement of Resources Data and Other Oil and Gas Information for the year ended December 31, 2012 dated April 29, 2013 and available on SEDAR at [www.sedar.com](http://www.sedar.com).

This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of the securities in any



jurisdiction in which such offer, solicitation or sale would be unlawful. The common shares of the Company have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

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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