



CALGARY, ALBERTA June 25, 2014 – US Oil Sands Inc. ("**US Oil Sands**" or the "**Company**") (TSXV: USO), a company focused on oil sands exploration and production in Utah, announced today that the Utah Supreme Court (the "Court") has dismissed the only outstanding regulatory challenge made against the Company's PR Spring Project (the "Project"), located in Utah's Uintah and Grand Counties. In a unanimous decision, the Court found that the groundwater discharge permit-by-rule originally issued in 2008 by the Utah Division of Water Quality was correctly issued based on the conclusion that the Company's extraction process would have a "de-minimus" or negligible impact on ground water quality. Notably, the Company's process uses low impact, non-toxic substances without the use of tailings ponds and emits no free water or process fluids as it recycles its water and bio-solvent. Changes or enhancements made to the Project since that time were not judged to have any negative material impact on the original approval.

Further, the Court found that appellants challenging a permit decision must do so on a timely basis, thereby providing finality with respect to regulatory decisions and allowing permit holders to expeditiously proceed with their projects.

Cameron Todd, CEO of US Oil Sands commented, "We are pleased that the Court clearly supports the validity of permits granted to the Company's PR Spring Project. US Oil Sands has continually demonstrated its commitment to environmentally responsible energy development and expects to showcase its breakthrough extraction technology when the Project begins producing next year."

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 commencement of bitumen production and sales in 2015.

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 and the commencement of commercial production. 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). 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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