

CALGARY, ALBERTA October 8, 2014 – 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 now ordered all of the major equipment components required for construction of the PR Spring Project (the "Project"). The Company has committed approximately US\$17.9 million to the purchase of this equipment, engineering and site construction and remains on schedule for field commissioning in Q3 2015. The Company has substantially completed construction of the plant site and has initiated foundation and building construction.

"The procurement of long-lead equipment is an important achievement for US Oil Sands as we transition from substantive engineering and design efforts to initiating physical construction of the extraction plant," said Cameron Todd, CEO of US Oil Sands. "It's an exciting time for the Company as we deploy our capital towards creating a low capital cost and environmentally-sustainable oil sands mining project with game-changing potential."

Project commitments of US\$17.9 million to date include:

- Process extraction equipment, including all long-lead items. The Company's procurement and supply chain management group, working closely with its project and construction services manager, Kellogg Brown & Root LLC's ("KBR") Salt Lake City-based team, have been successful in holding or reducing delivery times on this equipment, a key towards meeting scheduled field delivery dates. Every major piece of process equipment has been evaluated to ensure best process performance, delivery-time and cost.
- Engineering; overall project engineering is being performed by KBR with Stantec and Norwest contributing environmental and mine engineering respectively.
- Field work; work performed has been focused on preparing the plant-site to accept delivery of process extraction equipment modules, including the construction of a warehouse prior to year-end. Additionally, utility supply infrastructure and roadways have been completed.

"We have been diligent in the engineering and procurement process such that in addition to keeping on-target with our schedule, we've continued to optimize the Project's design with resultant operational and environmental benefits," said Mr. Todd. "This is evident in the decision to replace the plant's power supply with natural gas-fired turbines that incorporate improved heat recovery from electrical power co-generation. These improvements will reduce the use of fuel, further

enhancing the Project's already best-in-class environmental profile.”

## OUTLOOK

For the remainder of 2014, the Company will continue to focus on detailed engineering of the modules. Management anticipates that the off-site fabrication of the process extraction plant will begin in the first quarter of 2015, with final off-site fabrication and field assembly occurring in mid-2015, followed by commissioning and commercial start-up.

## 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 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 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](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.

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. Best estimate is considered to be the best estimate of the quantity that will actually be in-place. It is equally likely that the actual remaining quantities in-place will be greater or less than the best estimate. 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, 2013 dated April 2, 2014 and available on SEDAR at [www.sedar.com](http://www.sedar.com).

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For additional information please contact:

US Oil Sands Inc.  
Cameron Todd, CEO or Glen Snarr,  
President & CFO  
Suite 1600, 521 – 3<sup>rd</sup> Avenue SW  
Calgary, Alberta T2P 3T3  
Tel: +1 403 233 9366  
Email: [info@usoilsandsinc.com](mailto:info@usoilsandsinc.com)  
Website: [www.usoilsandsinc.com](http://www.usoilsandsinc.com)

Investor Relations  
Abby Garfunkel  
300 – 5<sup>th</sup> Avenue SW, 10<sup>th</sup> Floor  
Calgary, Alberta T2P 3C4  
Tel: +1 403 218 2887  
Email: [agarfunkel@tmxequicom.com](mailto:agarfunkel@tmxequicom.com)