



## US Oil Sands Inc. Provides Operational Update and Announces First Quarter 2015 Results

**CALGARY, ALBERTA May 28, 2015** – US Oil Sands Inc. ("**US Oil Sands**" or the "**Company**") (TSXV: USO), a company focused on oil sands exploration and production in Utah, having developed a proprietary technology that addresses and overcomes both the low oil price commodity markets and the continued environmental pressures facing the oil sands industry, today announced that it has filed its unaudited interim financial statements ("**Interim Report**") for the three month period ended March 31, 2015 ("**Q1 2015**") 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).

In the first quarter this year, US Oil Sands initiated its construction management team in order to commence PR Spring field construction in May. Construction is underway at the site as utility infrastructure, piles and foundations and pipeline work has been kicked off.

"We are thrilled to have tapped a construction team of this high caliber", said Cameron Todd, CEO of US Oil Sands. "The project is on budget and we expect to be demonstrating our breakthrough extraction technology with a Q4 start-up. Before year-end, we are planning to be delivering clean oil to market from the world's first commercial oil sands mining project without a tailings pond".

### SELECTED QUARTERLY HIGHLIGHTS

Since January 1, 2015, the Company:

- Expanded PR Spring project staff with the engagement of a construction manager, logistics, procurement personnel and inspection personnel;
- Placed orders for shipment of key long-lead pieces of equipment from overseas to the US, with transportation to fabricators occurring after quarter-end;
- Transitioned the engineering contract and key engineering contract personnel to Precision System Engineering, Inc., an experienced local Salt Lake City firm, as a result of Kellogg Brown & Root LLC's decision to shut down their Mineral Engineering Division and close its Salt Lake office;
- Completed upgrades and improvements to the pilot demonstration unit and laboratory in the Grande Prairie research and development facility; and
- Completed a testing program using oil sands supplied from the Athabasca region of

Alberta. Tests were designed and completed with the participation of two Athabasca oil sands industry operators alongside a Province of Alberta agency supporting technology development in the Canadian oil sands. Results clearly demonstrated that the Company's technology has broad application in Alberta as well as Utah. The process was notably effective on low grade bitumen and high clay fines ore.

## **OPERATIONAL HIGHLIGHTS**

The PR Spring Project is expected to be on schedule and on budget. Equipment deliveries to Utah based fabrication shops continue as systems are fabricated and packaged for field delivery throughout Q2 and Q3 2015. The Company's PR Spring Project Team and Operations groups are focused on delivering, commissioning and starting up the Project in early Q4 2015. Recruiting of key operations staff commenced in Q1 2015 and efforts continue as the Company looks to hire and train 21 operations personnel by the end of the Q3 2015.

Coincident with the release of its year-end financial information, and in compliance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities, the Company released the independent resource evaluation report issued by Calgary-based Sproule Unconventional Limited ("Sproule") dated December 31, 2014. The evaluation results detail the bitumen resource assessment of the Company's PR Spring property in Utah as of December 31, 2014, and incorporate the results of the 184 wells drilled and cored on the Company's PR Spring development block in 2011 and 2012. Sproule's independent best estimate of discovered resource is 184.3 million barrels and remains unchanged from the prior year.

## **SUBSEQUENT EVENTS**

On May 27, 2015, US Oil Sands held its Annual General and Special Meeting of Shareholders. The Company is pleased to report that all resolutions were passed as presented in the Company's Management Information Circular dated April 22, 2015. The Company's presentation to shareholders can be viewed by visiting [www.usoilsandsinc.com](http://www.usoilsandsinc.com).

## **OUTLOOK**

The Company will continue to execute on Phase 1 of the Project with off-site fabrication of the process extraction plant modules in progress. As equipment arrives into our Utah fabricator's yards, it will be fit out with piping, electrical, instrumentation and controls and readied for transportation to the Project site in accordance with the Company's Construction Execution Plan. Field assembly will take place throughout Q2/15 and Q3/15, followed by commissioning and commercial start-up in Q4/15.

Management will continue to investigate and pursue business development

opportunities for the Company's technology, including opportunities to work with Athabasca oil sands developers to demonstrate the technology's favourable extraction outcomes. The Company will broaden its working relationships with leaseholders and government agencies supporting development of Canadian oil sands.

## **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 resource estimates, the development and construction of the PR Spring Project, commencement of commercial production 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 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 and dated December 31, 2014 and available on SEDAR at [www.sedar.com](http://www.sedar.com).

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