



## **US Oil Sands Announces \$9 Million Private Placement Financing and Opens Data Room for Partner Participation**

**CALGARY, ALBERTA May 2, 2012** - US Oil Sands Inc. (TSX-V:USO) (the "Company") today announced that it has entered into an agreement with Dundee Securities Ltd., on behalf of a syndicate including FirstEnergy Capital Corp. (the "Agents") under which the Agents have agreed to offer for sale, on a best efforts private placement basis, up to 50,000,000 units (the "Units") at a price of \$0.18 per Unit for gross proceeds of \$9,000,000 (the "Offering").

Each Unit shall consist of one common share ("Share") of the Company and one full common share purchase warrant ("Warrant"). Each Warrant shall entitle the holder thereof to acquire one Share of the Company at a price of \$0.26 for a period of 24 months following the closing date.

In addition, the Company has granted the Agents an over-allotment option (the "Option") to sell up to an additional 15% of the Units sold pursuant to the Offering, exercisable at any time prior to 48 hours before the closing date of the Offering.

The closing date of the Offering is scheduled on or about May 17, 2012. All securities issued will be subject to a four month hold period. The Offering is subject to a number of conditions, including, without limitation, receipt of all regulatory approvals.

The Company intends to use the net proceeds of the Offering to initiate construction of its PR Spring Commercial Bitumen Mining Project and for general corporate purposes.

"These initial funds will allow us to initiate construction on our PR Spring project, the first commercial oil sands extraction project in the US.", said Cameron Todd, Chief Executive Officer of US Oil Sands. "We are currently planning to issue work orders next month for fabrication of long lead equipment. Mine preparation work will begin this summer, while project skids will be fabricated beginning in Q4 this year. Installation and field construction will take place in mid-2013. The project is on-target for completion and start-up in Q4, 2013."

US Oil Sands uses skid-mounted modular construction methods to build 2000 barrel per day phases which allow for rapid construction and sequential build-up of additional phases. The initial 2000 barrels per day project at PR Spring is expected to cost \$30 million to construct, while subsequent phases are expected to be added at a cost of \$25 million.



US Oil Sands also announced that it has invited a number of potential partners to consider participation in its PR Spring project. The Company has opened a data room to allow potential partners to evaluate the opportunity, and expects to use the proceeds of a possible transaction to complete the construction of the first phase of the project and initiate work on design and permitting for potential future expansions and new mine applications on the Company's existing resource base.

The securities to be issued under the Offering have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and accordingly, may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the Company's securities in the United States.

## **ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

The Annual and Special Meeting of the common shareholders of US Oil Sands Inc. will be held at The Calgary Petroleum Club, 319 - 5 Avenue SW Calgary, AB T2P 0L6, on Wednesday, May 23, 2012, at the hour of 3:30 p.m. The Company filed its Notice of Meeting on March 26, 2012 and mailed the management information circular, form of proxy as well as a copy of the Notice on April 27, 2012.

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).

## **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 thereby eliminating the need for tailings ponds. The Company is in the pre-production stage and anticipates bitumen production and sales to commence in 2013.

This news release may contain forward-looking information within the meaning of applicable Canadian Securities legislation. In particular, this news release includes forward looking information relating to the completion of the Offering in the manner

and on the terms described herein, the participation of investors in the Offering, the use of proceeds of the Offering, the construction and completion of the PR Spring Project, the capital cost of the PR Spring Project and subsequent phases, the commencement of bitumen production and sales and the participation of potential partners in the development of the PR Spring Project and future development phases. 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 Canadian securities regulatory authorities (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.

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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