

**CALGARY, ALBERTA March 18, 2013** – 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 filed its audited consolidated financial statements ("**Financial Report**") for the twelve month period ended December 31, 2012 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).

### **SELECTED OPERATIONAL & FINANCIAL HIGHLIGHTS**

- Closed a private placement financing for gross proceeds of \$11,020,452;
- Completed a field program on the 5,930 acre PR Spring Project Area consisting of:
  - Drilling 37 core wells directed at infill delineation of bitumen resources in new mine project areas;
  - Drilling and completion of two water wells and successfully evaluating the targeted aquifer confirming sufficient quantities of water for phase 1 production requirements;
  - Further testing of the continuous surface mining equipment to confirm operating parameters and design specifications; and
  - Third party geological evaluation of core stored from the 2011 program, as part of the development of a detailed geological and depositional model for the Uinta Basin.
- Obtained approval of a patent application from the Canadian Intellectual Property Office; and
- Received favourable rulings from both the Utah Department of Environmental Quality and the Utah Division of Oil, Gas and Mining upholding previously issued permits for its PR Spring Project Area.

"During 2012 we significantly advanced our PR Spring Project by making great strides with regard to our technical planning and operational execution," said Cameron Todd, CEO of US Oil Sands. "Further success was also achieved with the approval of our patent application in Canada, as well as in the regulatory area where our best-in-class environmental practices were challenged, yet overwhelmingly supported by favorable regulatory and legal rulings. We are continuing to pursue a joint venture financing to provide funding for the first phase of the PR Spring Project. We anticipate a successful conclusion of the process later this year in time for

construction to be initiated in 2013 and production operations to commence in 2014.”

## **OPERATIONAL HIGHLIGHTS**

During 2012, the Company completed a field program on its 5,930 acre PR Spring Project Area. The program consisted of a 37-hole coring program, a water supply drilling and testing program, and surface mining equipment specification testing.

The coring program, which involved drilling to an average depth of approximately 200 feet, was directed at infill delineation of known or expected bitumen deposits and all intersected bitumen pay. The results of these core holes will be integrated into the Company’s resource modelling software and used for permitting the next phases of mine expansion beyond the existing permitted mine area.

During the year, the Company engaged a respected Calgary-based third-party geological consulting firm to examine core from the Company’s coring programs to develop a detailed geological and depositional model for the Uinta Basin which is important for use in planning exploration activities and acquisition opportunities.

In addition, the results from the coring program will be assessed by the Company’s independent resource evaluators for inclusion in the independent resource evaluation report due to be filed on or before April 29, 2013 in compliance with National Instrument 51-101 – Standards for Disclosure of Oil and Gas Activities.

## **REGULATORY RULINGS**

On October 24, 2012, the Utah Department of Environmental Quality’s Water Quality Board voted to support the Company’s permit-by-rule as previously issued by their Division of Water Quality on March 4, 2008. The hearing, which was initiated in April 2011 through a Request for Agency Action filed by a Utah-based environmental organization against the Utah Division of Water Quality, claimed that the Division improperly issued a permit-by-rule to the Company. The final decision upholding the issuance of the permit was published November 1, 2012 by the chairman of the Water Quality Board.

On January 14, 2013, the Board of Directors of the Utah Division of Oil, Gas and Mining (“DOG M”) voted to support DOGM’s previous approval of the Company’s Notice of Intention to Commence Large Mining Operations at its PR Spring Project Area. This hearing, which was initiated in September 2010 through a Request for Agency Action filed by a Utah-based environmental organization against DOGM, claimed that DOGM improperly issued the Company’s Notice of Intention to Commence Large Mining Operations. The final decision was published February 27,

2013 by the chairman of the board of DOGM.

As of the date hereof, the decision by the Water Quality Board was appealed to the Utah Supreme Court by the Utah-based environmental organization. Appeals cannot introduce new evidence and are heard only on the basis of technicalities of law. There are no other challenges or appeals against the Company or the regulatory agencies on any regulatory permits held by the Company in respect of its planned operations for the PR Spring Project Area.

## **INTELLECTUAL PROPERTY**

On September 6, 2012, the Company received notice of the approval of the patent application relating to its bitumen extraction process from the Canadian Intellectual Property Office.

The Company completed the international filing of its patent application through World Intellectual Property Organization (WIPO) in October 2007 and continues to prosecute its US application, which remains pending with the United States Patent and Trademark Office.

## **SUMMARY OF SELECTED 2012 FINANCIAL RESULTS**

The following financial data were selected from the Company's consolidated financial statements which have been prepared using the accounting policies under IFRS as issued by the International Accounting Standards Board.

December 31	2012	2011	2010
Total assets	20,957,317	14,074,958	3,673,863
Net loss	(4,396,126)	(3,993,101)	(1,580,752)
Total comprehensive loss	(4,608,059)	(3,857,128)	(1,580,752)
Cash used in operations	(3,548,596)	(2,445,410)	(1,131,249)
Loss per share – basic and diluted	(0.02)	(0.02)	(0.02)

As at December 31, 2012, the Company had cash and cash equivalents of \$5,327,732, net working capital of \$5,059,894 and no commitments for capital expenditures. The Company intends to use its cash and cash equivalent balance to fulfill its liabilities and commitments and fund its development project. The Company

has no bank debt or banking credit facilities in place.

## **SUBSEQUENT EVENTS**

The Company also announced that pursuant to the Company's stock option plan, a total of 4,825,000 stock options were granted to Directors, Officers and Employees of the Corporation at an exercise price of \$0.115 per share expiring on March 18, 2018, subject to regulatory approval.

## **OUTLOOK**

For the remainder of 2013, US Oil Sands will continue to focus on site preparation and construction of the PR Spring Project Area, including final project engineering and procurement of necessary equipment and supplies. In keeping with these activities, Management anticipates that the majority of the fabrication of the process extraction plant will be completed in 2013, with final field assembly and commercial start-up expected to occur in 2014. The timing of these plans is to a large degree dependent on when the Company completes a joint venture financing that provides the capital necessary to undertake major expenditures. US Oil Sands has enlisted the services of external corporate finance advisors to assist in the process of marketing and closing a joint venture financing.

As a part of its longer term strategic objectives, US Oil Sands intends to pursue additional opportunities both through exploration and acquisition of additional resource lands in order to achieve the Company's strategic target of 50,000 bpd capacity by 2020. Management intends to accomplish this by furthering regulatory application efforts on available properties, so as to ensure a ready inventory of future mineable assets for the Company.

## **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 2014.

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, commencement of commercial production, resource estimates, target production levels and joint venture financing arrangements. 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.

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.

For additional information please contact:

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