



U.S. OIL SANDS®



Oil Sand Development at
PR Spring, Utah

March 19, 2015

School & Institutional Trust Lands Administration
Board of Trustees' Meeting

TSX-V: USO

www.usoilsandsinc.com



FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements and forward looking information within the meaning of applicable Canadian securities laws (collectively “forward-looking statements”). Forward-looking statements in this presentation include, but are not limited to, statements with respect to: business strategy and strengths, exploration and development activities, the anticipated time and costs required to develop the PR Spring Project and to construct the modular plant required to commence operations, the environmental impact of the extraction process, access to markets and the availability of refining capacity and estimates relating to resource quantities, production rates, capital and operating costs, commodity prices, government royalty rates, netbacks, cash flows and payout periods. Statements relating to “resources” involve the implied assessment, based on certain estimates and assumptions, that the resources described exist in the quantities predicted or estimated and can profitably be produced in the future.

With respect to forward-looking information contained in this presentation, US Oil Sands Inc. (“USO” or the “Company”) has made assumptions regarding, among other things: the expected costs to explore, delineate and develop its assets and the expected costs to construct the PR Spring Project; future crude oil, bitumen, natural gas and synthetic crude oil prices; the ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the regulatory framework with respect to royalties, taxes, environmental matters and resource recovery in the State of Utah; the ability to market production of bitumen successfully to customers; the timing and progress of work relating to development activities; geological and engineering estimates; the geography of the areas in which the Company will be exploring; the impact of increasing competition; the ability to obtain financing on acceptable terms; and the sufficiency of budgeted capital expenditures in carrying out planned activities.

We caution readers not to place undue reliance on these forward-looking statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and estimates expressed in such forward-looking statements. These factors include, but are not limited to: changes in general economic, market and business conditions; the volatility of oil and gas prices; production and development costs and capital expenditures; the imprecision of estimates of recoverable quantities of bitumen; the loss of key personnel; the marketability of production, defaults by third parties; unforeseen complications with patent applications or patent protection on extraction process; fluctuations in foreign currency and exchange rates; inadequate insurance coverage; compliance with environmental laws and regulations; actions by government or regulatory agencies, including changes in tax laws; changes in laws or regulations; access to external sources of debt and equity capital; and the occurrence of unexpected events involved in the operation and development of oil sands properties. The risks outlined above should not be construed as exhaustive. Investors are cautioned not to place undue reliance on any forward-looking statements.

When relying on our forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Furthermore, the forward-looking statements contained in this presentation are made as of the date of this presentation and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

This presentation contains financial outlook information relating to the Company’s prospective results of operations, cash flows, and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. The purpose of the financial outlook is to provide information regarding the Company’s reasonable expectations as to the anticipated results of its proposed business activities for the periods indicated. Readers are cautioned that the financial outlook may not be appropriate for other purposes.

Disclosure of Oil and Gas Resource Information

The Company has disclosed discovered resources in this document. Discovered resources is that quantity of bitumen that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered resources includes production, reserves, and contingent resources; the remainder is unrecoverable. Further review of the Company’s resource evaluation procedures is required to assign the estimate of discovered resources to a more specific resource category. The resource estimate is a best estimate of the discovered resources volumes. It is equally likely that the actual volumes of discovered resources will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P50) that the actual volumes of discovered resources will equal or exceed the best estimate. The resource estimate has not been risked for chance of development (technical, economic, regulatory, market and facility, corporate commitment or political risks). There is no certainty that any portion of the resources will be developed or, if developed, there is no certainty as to the timing of such development or whether it will be commercially viable to produce any portion of the resources. A significant factor relevant to the resource estimate is the regulatory permitting process.

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, 2014 dated March 11, 2015 and available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Currency Used in Presentation Material:

All amounts herein expressed in USD unless otherwise stated.

OUR VISION AND VALUES

US Oil Sands is the world's most capital efficient and environmentally-responsible oil sands development company



Communities

We value the relationships we have with the communities in which we live and operate, and the service providers with whom we work with. We respect the laws and expectations of these stakeholders and seek to generate win-win results with a balanced approach to the environment, the economy and energy development.



Employees

We value the energy, enthusiasm and creativity that come from our unique and talented people. We create a high performance environment that treats employees with respect, stimulates growth and values each person's contribution.



Operations

We value the importance of a safe and responsible workplace. We operate with the highest standards of safety and environmental performance and utilize the principles of operational excellence to achieve outstanding results.



Shareholders

We value the trust that shareholders have placed on us through their investment. We uniquely apply our technology to create exceptional shareholder value. We act in accordance with the highest standards of integrity and corporate governance.

OVERVIEW

INNOVATION BREAKTHROUGH



ENVIRONMENTAL LEADERSHIP



CAPITAL EFFICIENCY



LARGE RESOURCES & LAND



Changing the Way
Oil Sands Bitumen
is Extracted

(capital / environment / oil recovery)

CORPORATE SNAPSHOT

Proprietary extraction process

- Small environmental footprint, no tailings ponds
- \$20,000-\$30,000/bpd capital intensity

Executing on 2,000 bpd project in Utah

- Funded and permitted, first-oil in 2015

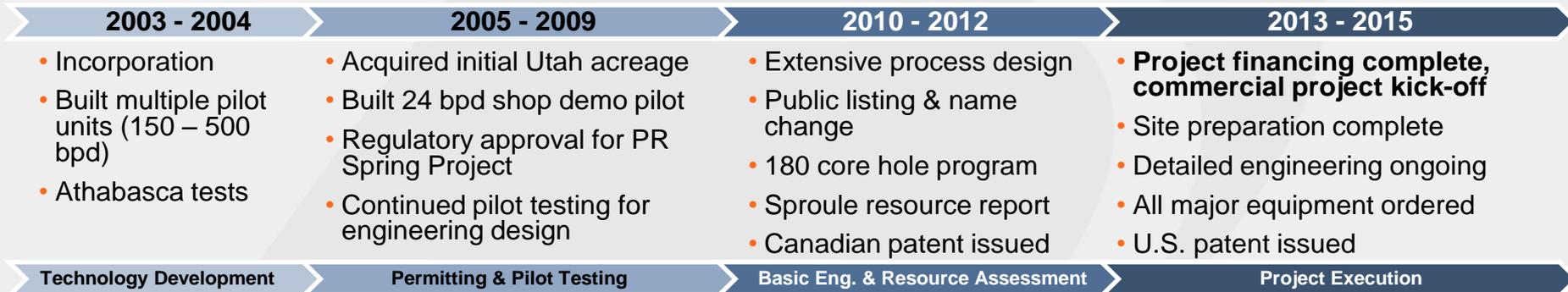
Scale-up to 10,000 bpd in Utah

Worldwide development potential

Corporate Profile

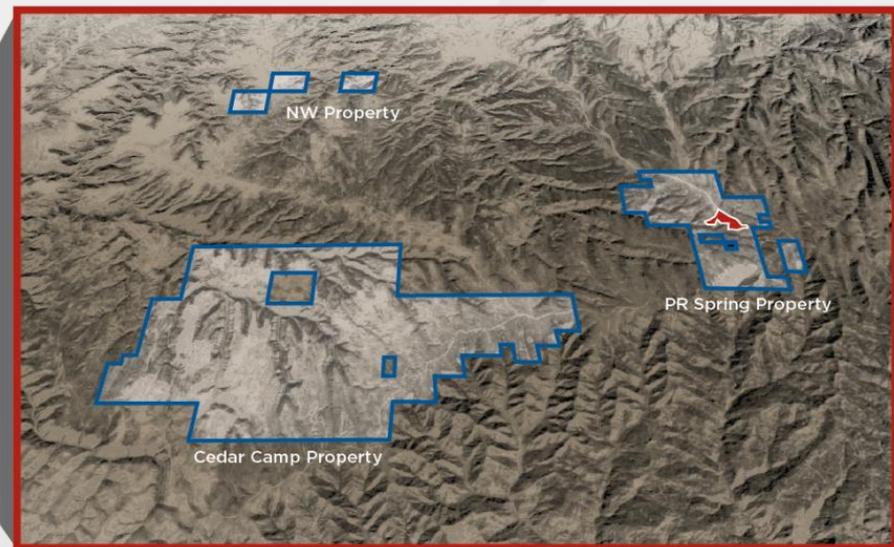
- Calgary-based oil sands mining company
- TSX Venture listed: “USO”
- Market cap: C\$85MM⁽¹⁾
- C\$64MM in treasury – no debt⁽¹⁾
- Significant technology and resource development

(1) As at December 31, 2014



EXTENSIVE LAND & RESOURCES

Largest oil sands land base in the U.S.



- US Oil Sands Lease Boundaries
- PR Spring Phase 1 Mine Site

Development Area

- PR Spring Project area
- 100% working interest in 5,930 acres
- 184 MMbbls Discovered Resource⁽¹⁾

Exploration Area

- Cedar Camp and NW exploration blocks
- 100% working interest in 26,075 acres

(1) Sproule Unconventional Limited report dated March 11, 2015

BREAKTHROUGH EXTRACTION PROCESS

Our process uses a biodegradable solvent extracted from citrus fruits

US Oil Sands' patented extraction process is one of the most important breakthroughs in mineable oil sands extraction techniques in more than 45 years.

- 90-96%** Bitumen recovery
- 0** Eliminates tailings ponds
- >75%** Reduction in capital intensity



Process Facts

- Uses low mechanical energy, no sludge
- Eliminates expensive water handling, bitumen froth treatment, middling sludge management and tailings storage recovery
- **Best-in-class energy efficiency**

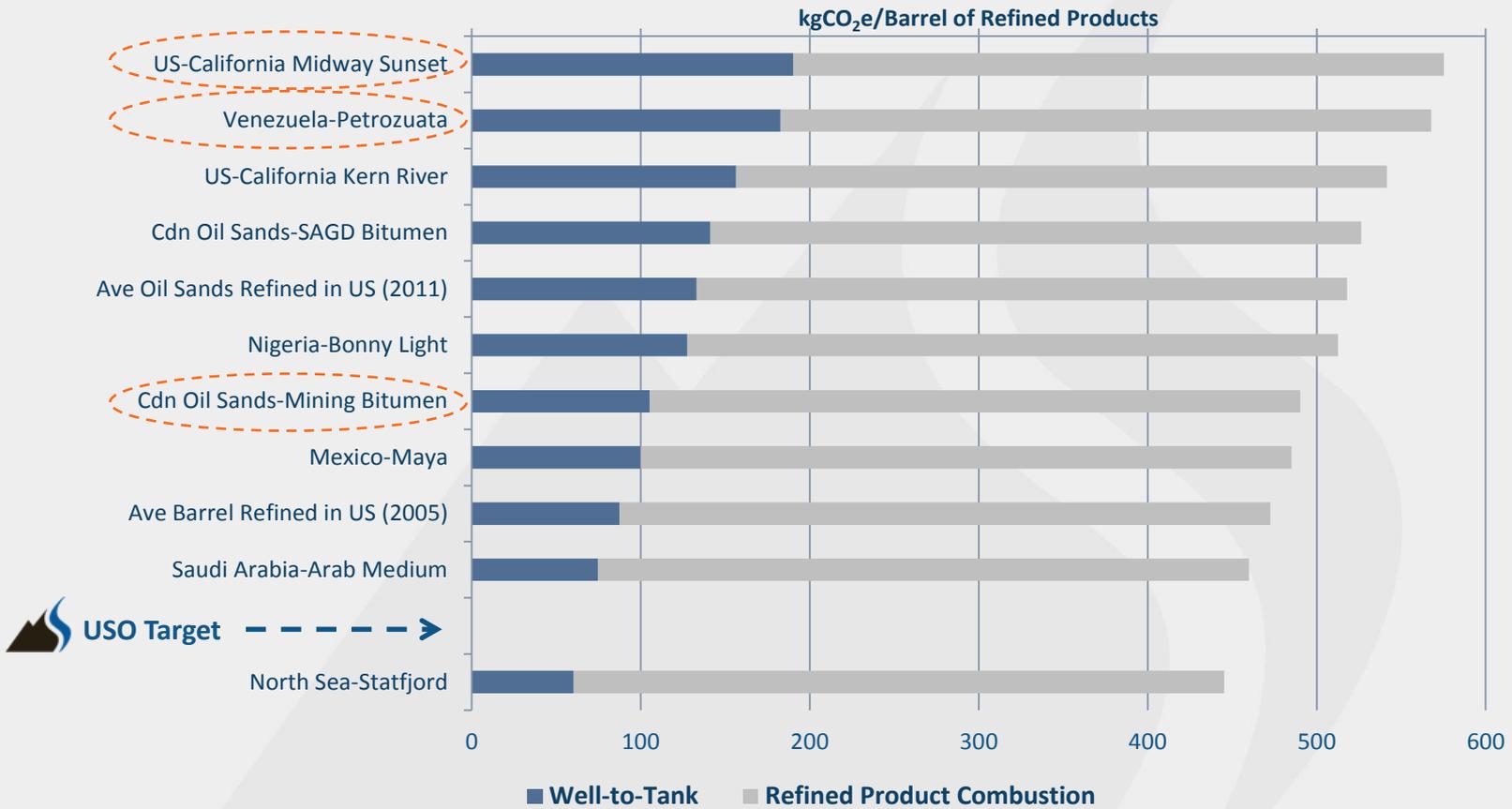
GAME-CHANGING BENEFITS

| Economic Benefits | |
|-----------------------------|--|
| Low Up Front Capital | <ul style="list-style-type: none"> Low threshold Elimination of tailings ponds, bitumen froth treatment, middlings sludge and tailings recovery lowers capital costs |
| Capital Efficiency | <ul style="list-style-type: none"> \$20,000-\$30,000/bpd in Utah vs. up to \$100,000/bpd for current Athabasca oil sands mining projects |
| Low Full Cycle Opex | <ul style="list-style-type: none"> Ability to recycle and re-use solvent lowers operating costs |
| Scalable | <ul style="list-style-type: none"> 2,000 bpd minimum size can be scaled-up to match resource, increasing operating efficiency |
| Time Value of Money | <ul style="list-style-type: none"> Modular processing facilities enable phased capital deployment and rapid construction |

| Environmental Benefits | |
|--|--|
| Smallest Footprint | <ul style="list-style-type: none"> Smallest footprint of any oil sands mining process Eliminates need for tailings ponds, enabling rapid reclamation |
| Best-in-Class Water Use & Recycle | <ul style="list-style-type: none"> Clean tailings, no ponds to seep 95% water recycle 98% solvent recycle (renewable and biodegradable) |
| Reduced Energy Use | <ul style="list-style-type: none"> Thermal efficiencies, single handling of tails, increased oil recovery |
| Best-in-Class GHG Emissions | <ul style="list-style-type: none"> Lower energy use results in best-in-class GHG emissions, lower than many conventional projects |
| Best-in-Class Air Quality | <ul style="list-style-type: none"> Low sulphur in Utah results in reduced emissions from subsequent upgrading processes |

LOW GHG EMISSIONS

USO expects to be lower than any existing oil sands project and lower than many conventional projects

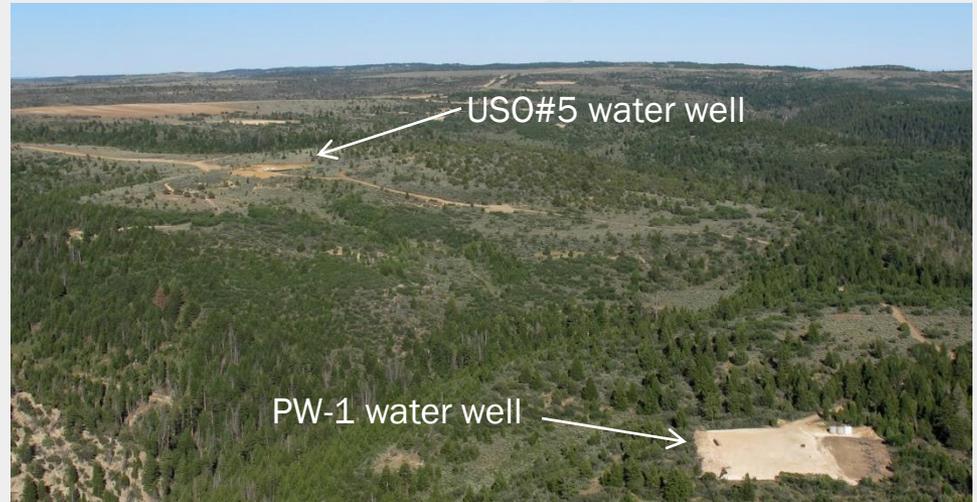


Source: IHS CERA: Oil Sands, Greenhouse Gases, and US Oil Supply – Getting the Numbers Right – 2012 Update

Notes: Well-to-Tank includes crude production (incl. venting & flaring, dilbit production, mine face, and tailings), upgrading, crude transportation, crude refining, and refined product transportation

ENVIRONMENTAL WATER USE

- **Water sourced from deep aquifer**
 - Mesaverde formation at ~2,500 feet deep
 - No impact to other surface water users
- **~95% water recycle**
- **Low overall water consumption**
 - 2 barrels of water per barrel of bitumen
- **Amount of water consumed is principally left in the clean damp-dry sand tails**



CONCURRENT RECLAMATION

Simultaneous mining and reclamation means land can be returned to its natural state in 4 – 6 years

Year 1 – Mine Opening

Year 2 – Backfill Commences

Year 3 – Initial Revegetation

Year 4 – Continued Reclamation

Year 5 – Reclamation Complete

Concurrent reclamation is a first in oil sands mining

- USO's surface footprint is estimated to be 90%-95% smaller than traditional projects (on a per-barrel basis)

COMMUNITY PARTNER



Throughout our exploration and development programs in the Uinta Basin, US Oil Sands has continually engaged the local community to convey a strong understanding of the benefits of our unique approach to oil sands development



Invested in the community:

- More than \$43 million, over 10 years, has been invested to delineate, design, test, approve and initiate the PR Spring Project
- US Oil Sands works closely with Utah and federal agencies
- Royalty payments in support of Utah's school children through the School and Institutional Trust Lands Administration (SITLA)

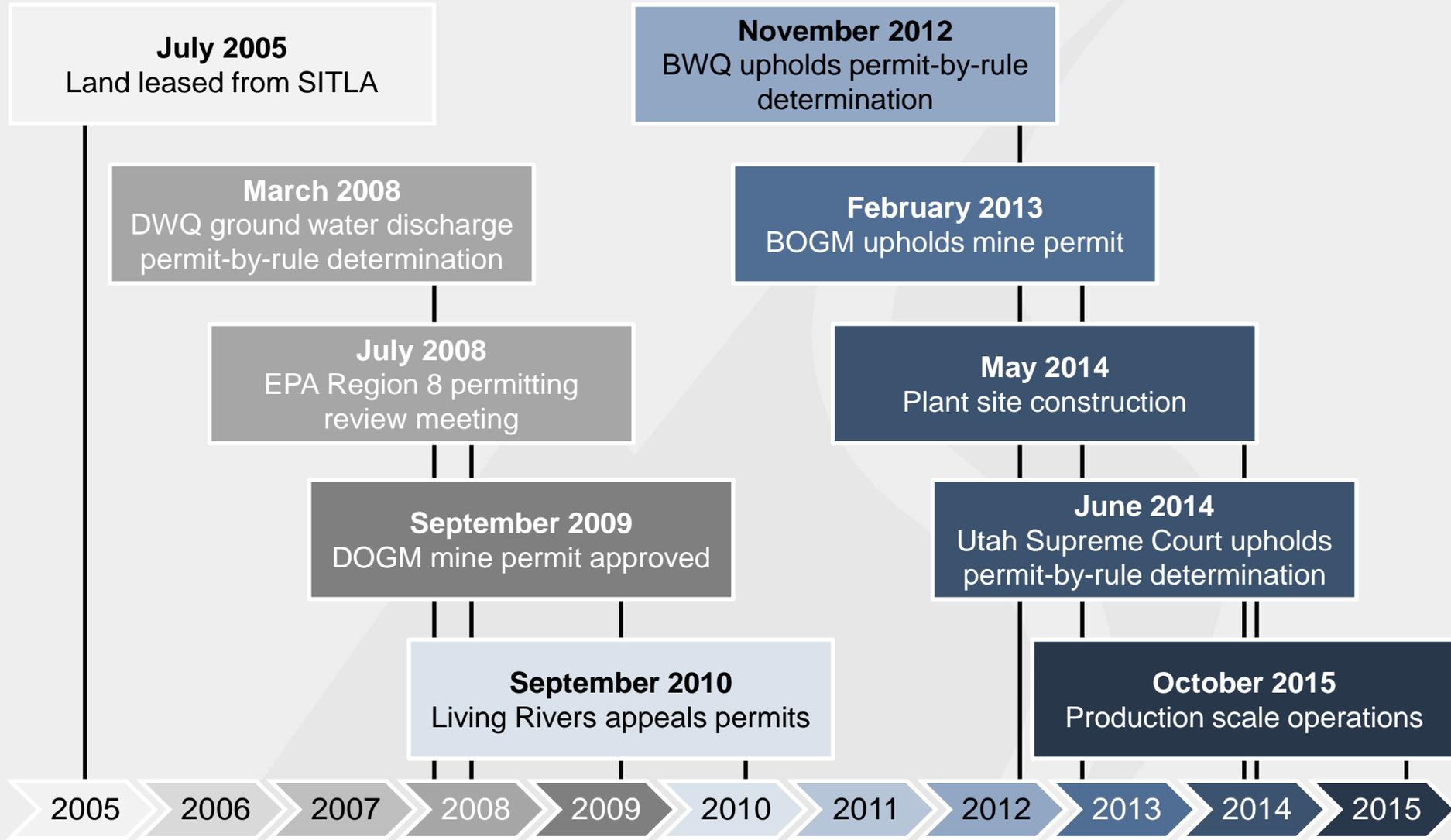


Local Presence

USO Salt Lake
170 S. Main Street
Salt Lake City, UT

USO Vernal
145 W. Main Street
Vernal, UT

PROJECT/REGULATORY TIMELINE



PR SPRING PROJECT

Fully approved surface mine and development project

- Uinta Basin in NE Utah
- Initial 2,000 bpd phase
- Off-the-shelf process equipment
- Conventional mining approach

Phase II targeting up to 10,000 bpd

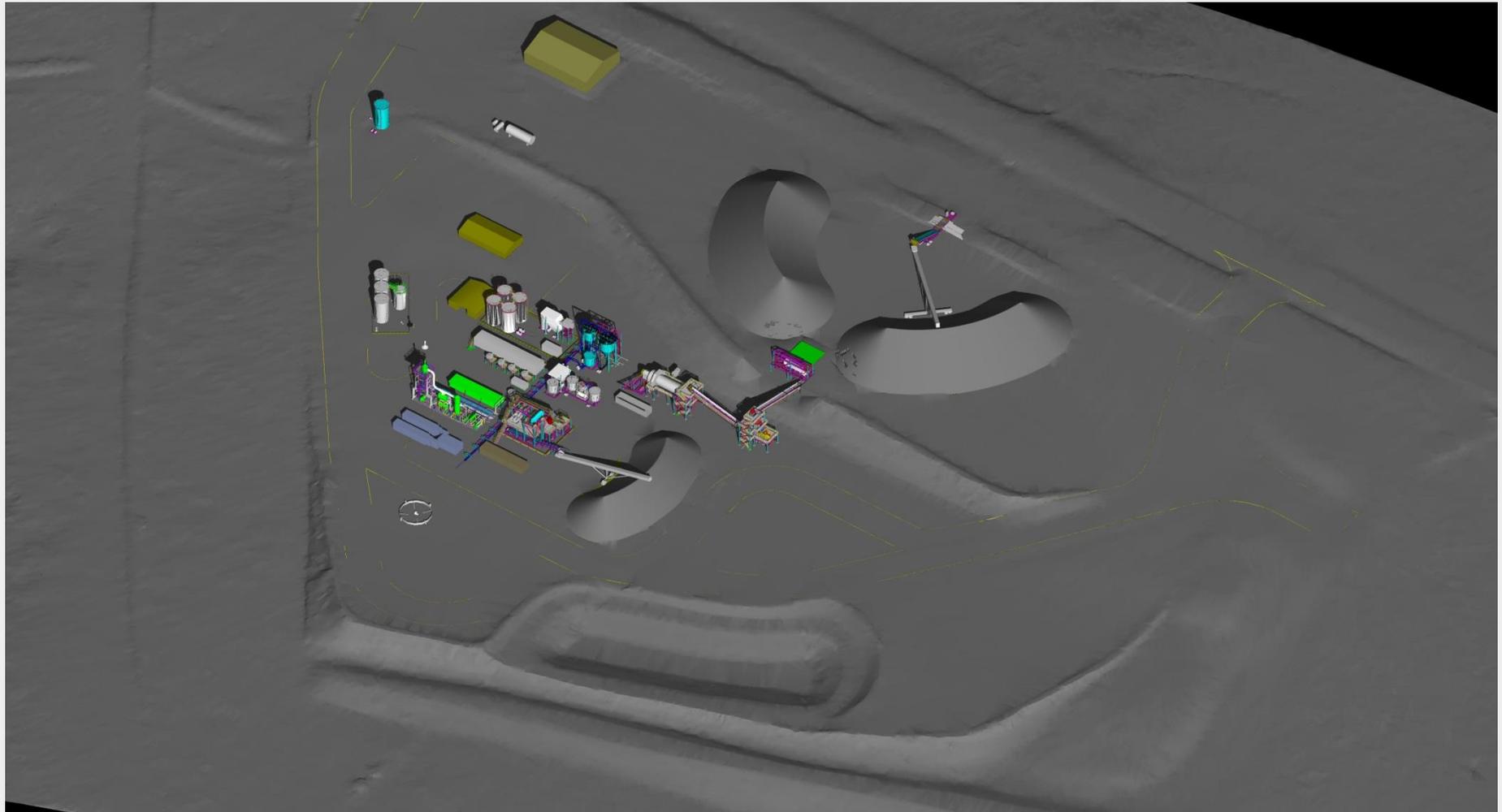


Utah - Attractive Oil Sands Development

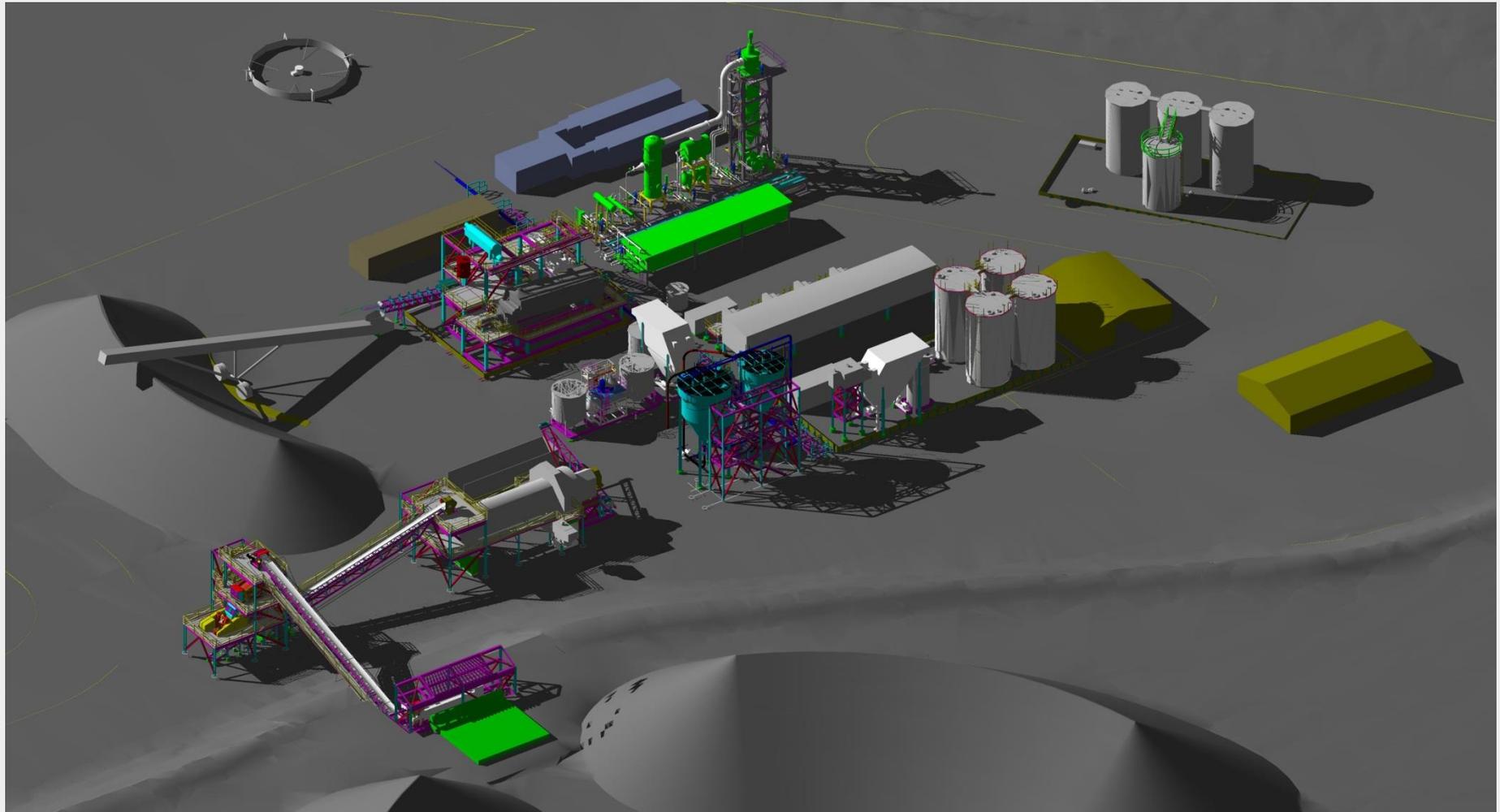
- Large known resource
 - Estimated up to 30 billion barrels in place
- Development-oriented state; attractive royalties
- Proximity to ideal markets
 - Low transportation costs, better product pricing
- Low cost operation
 - Access to infrastructure and services
- First-mover advantage
- High quality bitumen
 - Low sulphur, lighter than Athabasca crude



PLANT SITE LAYOUT

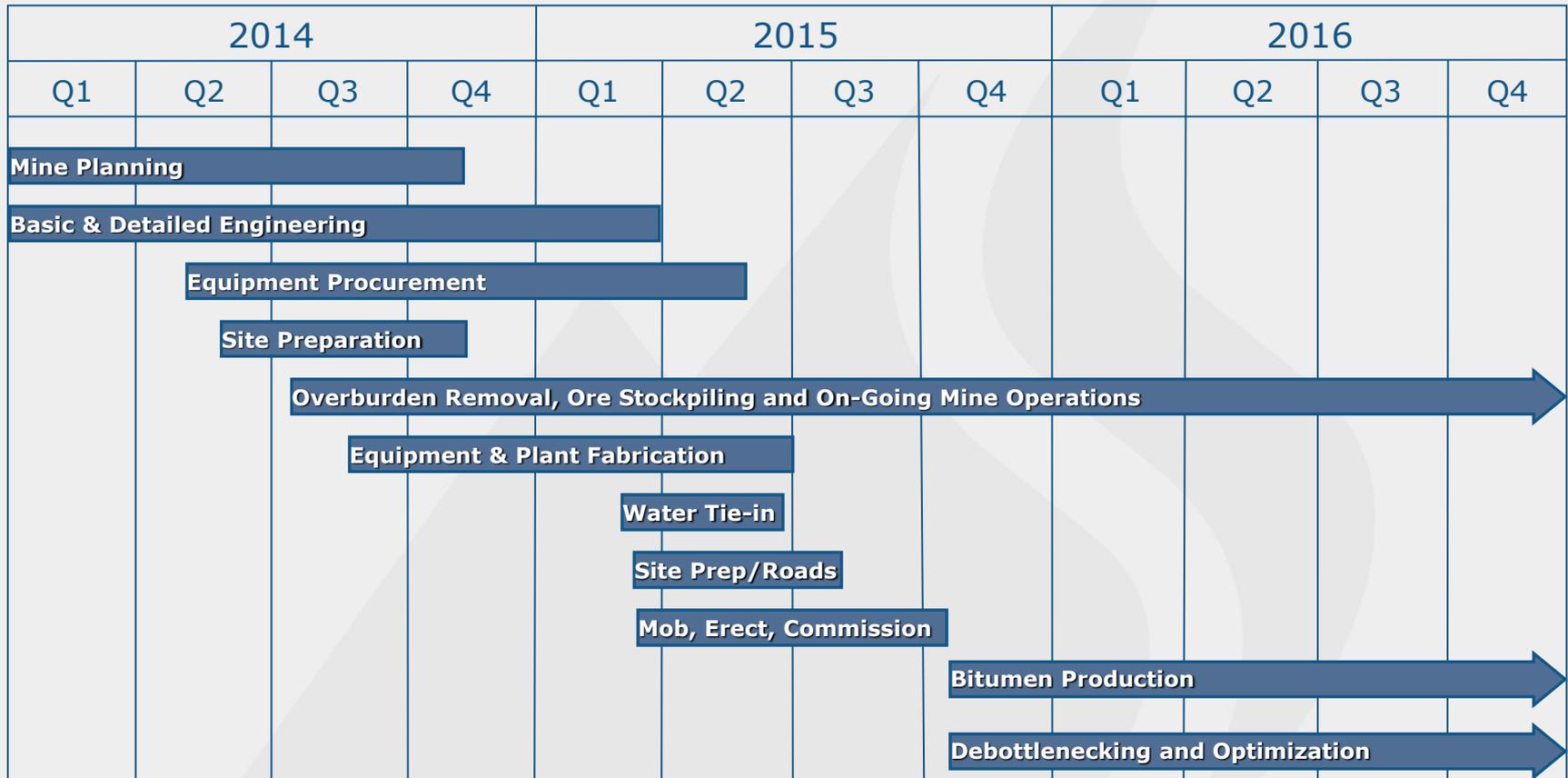


PLANT ENGINEERING MODEL



PROJECT SCHEDULE

PR Spring Project - Phase I





COMMERCIAL DEMO OBJECTIVES

- **2,000 bpd demonstration project to prove commerciality of the process**

Primary Success Measures

Prove it's Game-changing; no Show-stoppers

- No tailings pond
- High oil recovery
- High solvent recovery and recycle
- Low capital intensity
- Continuous safe operation

- **Use the success of Phase I to prove viability of targeted 10,000 bpd Phase II and the potential for future developments in other areas**
- **Optimize design for Phase II**

PHASED PRODUCTION GROWTH

- **Rapid build-up in phases**
- **Modular construction allows for flexible development of various capacities**
 - Can be stand-alone, sequential or scaled-up
- **Low capital threshold: \$20,000-\$30,000/bpd of capacity**

2,000 bpd Commercial Demo Unit

- First commercial demonstration of the technology
- \$60MM estimated capital cost
- \$30,000/bpd capital intensity
- Approx. 12 months to construct
- First-oil expected Q4-2015

10,000 bpd Production Units

- Deploy 10,000 bpd modules as resources are acquired / developed
- \$150-\$200MM estimated capital cost
- \$15-\$20,000/bpd capital intensity
- 9 – 12 months to construct
- First unit online in 3 – 4 years

ECONOMIC CONTRIBUTION

- **PR Spring development is expected to be an excellent economic contributor to the State of Utah**
 - Source of steady, long-term employment
 - Significant royalties, taxes and operating disbursements into the local economy

| Potential Contribution to the Utah Economy* (over 10 years) | 2,000 bpd | 10,000 bpd |
|---|------------------|-------------------|
| Permanent full-time, high-paying, steady jobs | 75-100 | 200-300 |
| Capital development | \$60 million | \$175 million |
| Royalties to SITLA | \$32 million | \$160 million |
| Income taxes | \$130 million | \$650 million |
| Operating disbursements into the local economy | \$240 million | \$1.2 billion |

* Forward-looking information based on management estimates. Royalties, income taxes and operating disbursements assume US\$90/bbl over the life of the project.



SUMMARY



- **USO is a team of highly experienced oil sands professionals dedicated to commercializing its revolutionary bitumen extraction process**
- **USO's next generation solvent technology represents a paradigm shift in oil sands economics and environmental impact**
 - Best-in-class capital efficiency, environmental footprint, oil recovery
- **Its PR Spring Project is well-advanced and stands on its own merits**
 - High return / low risk project to demonstrate commerciality
- **Commercialization of its Utah operations opens up significant resource development**
 - Initiates oil sands development in the U.S.
 - Unlocks economically and environmentally stranded resources in Canada
 - Global development potential



U.S. OIL SANDS®

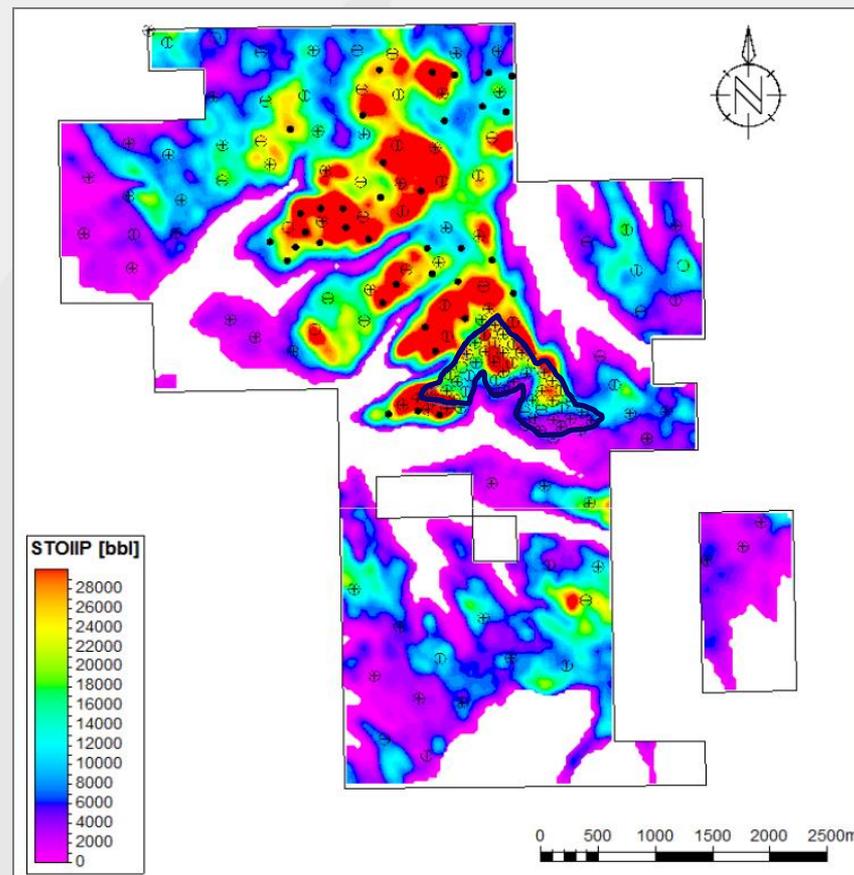


APPENDIX



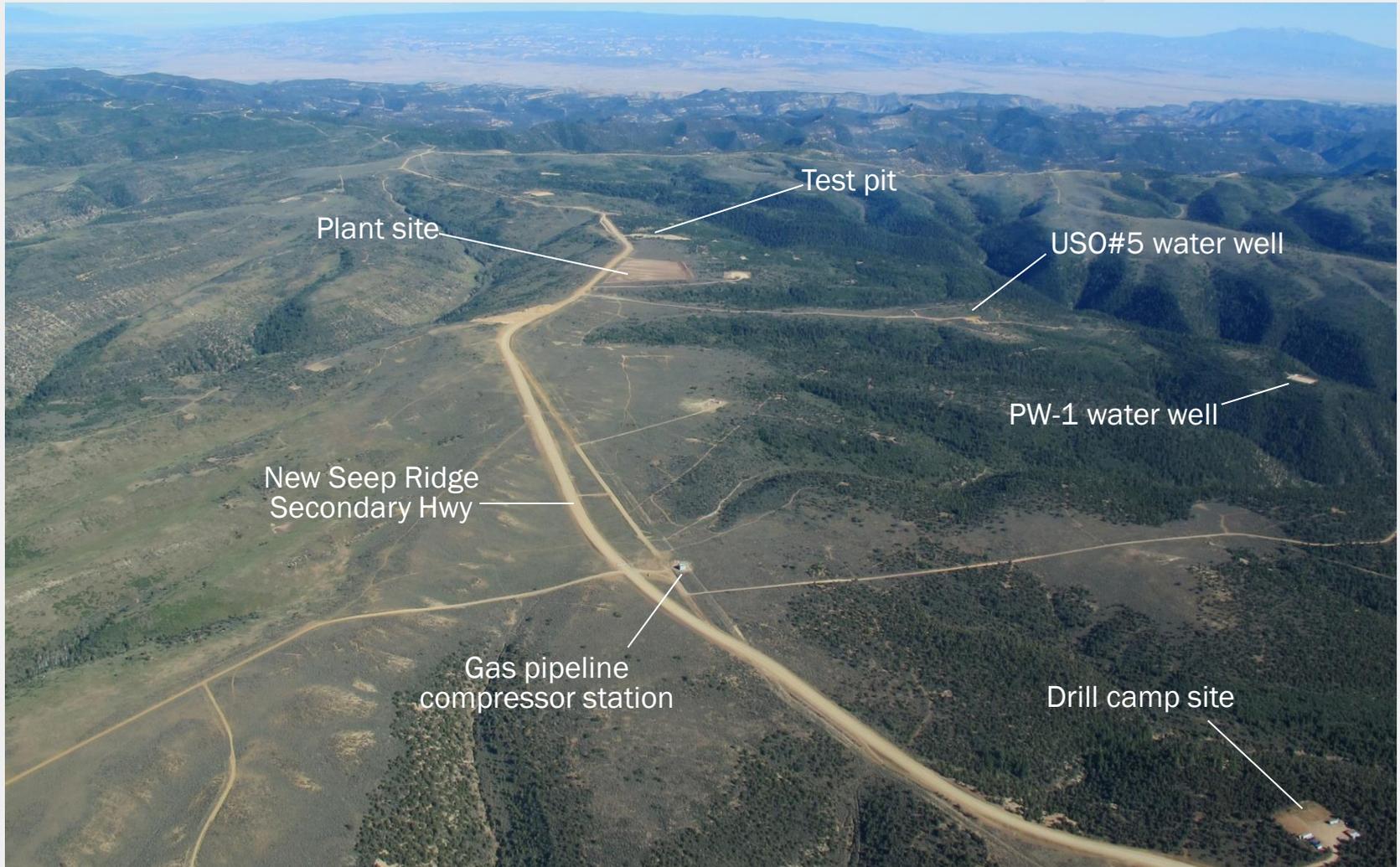
WELL-DEFINED RESOURCES

- **184 core holes provide strong well control**
 - Up to 2.5-acre spacing, >4,400 assays
- **Multiple beds; combined pay thickness up to 100 feet, average overburden only 25 feet**
- **Ore grade range of 5 – 15 wt%**
 - Average 10 wt% in planned pits
- **Significant resource beyond Phase I area**



PR Spring Development Lease
Bitumen-in-Place (All Sands)

PR SPRING PROJECT AERIAL VIEW

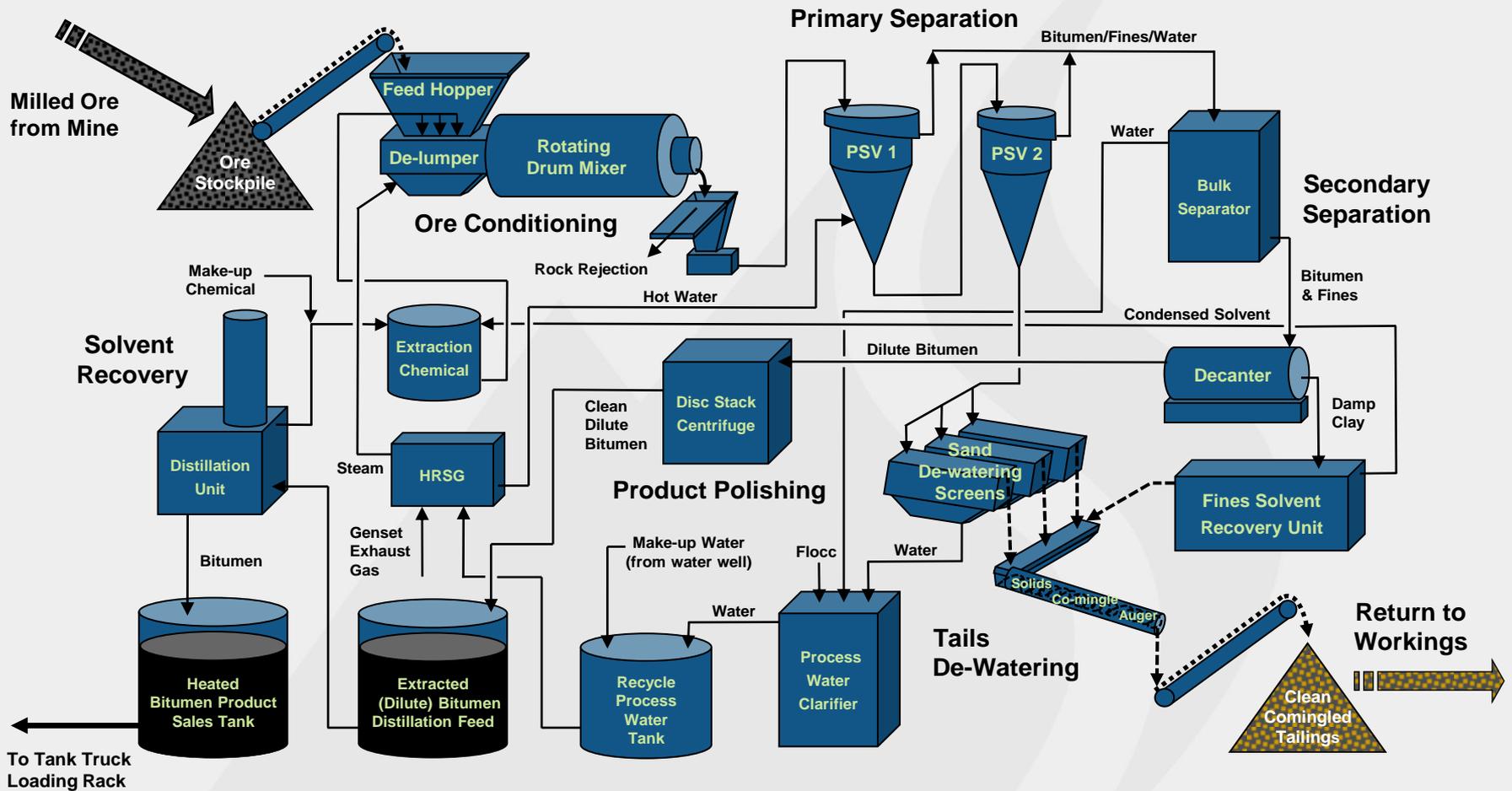


PR SPRING PROJECT PLANT SITE

- Plant site preparation complete
- Ready to accept delivery of process extraction equipment & modules

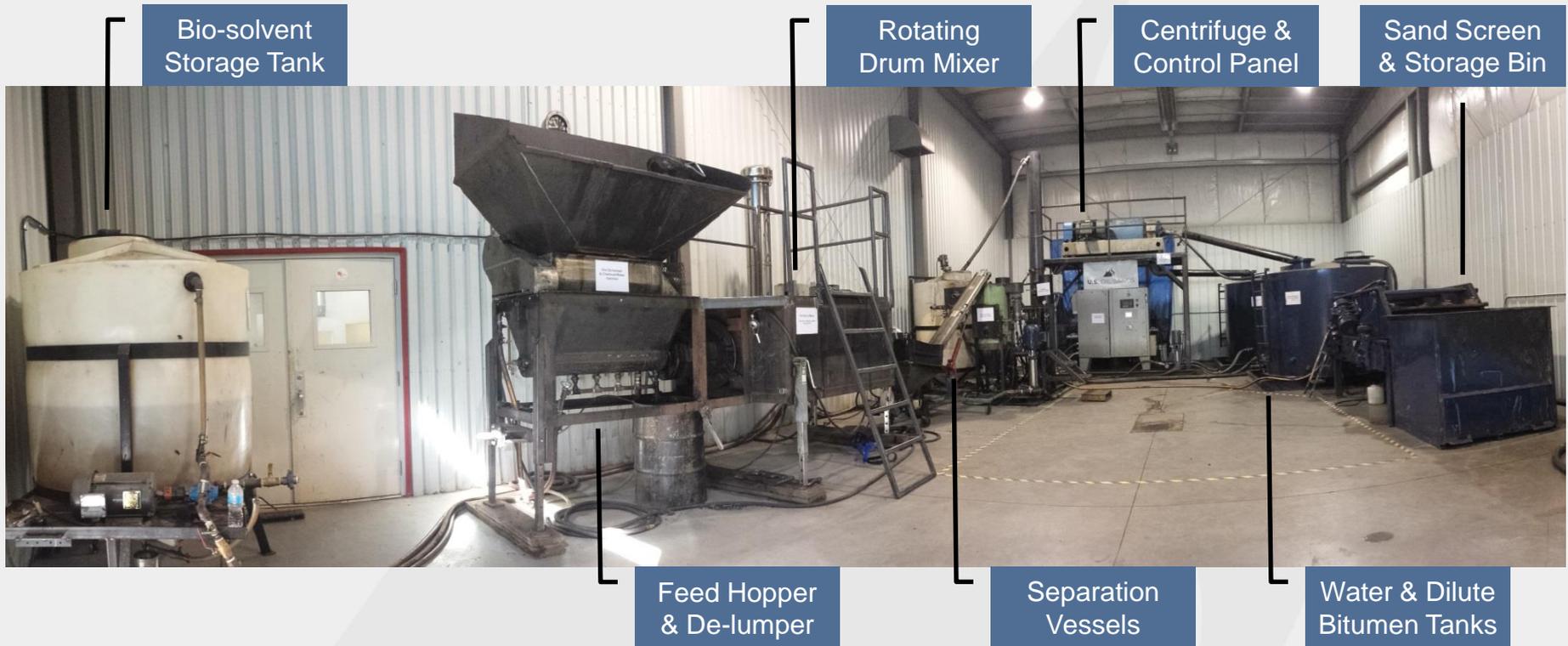


USO'S EXTRACTION PROCESS



PILOT FACILITY

- 24 bpd shop demonstration unit in Grande Prairie, Alberta



USO continues to lead in technology development and application

SHOP DEMONSTRATION UNIT RUN



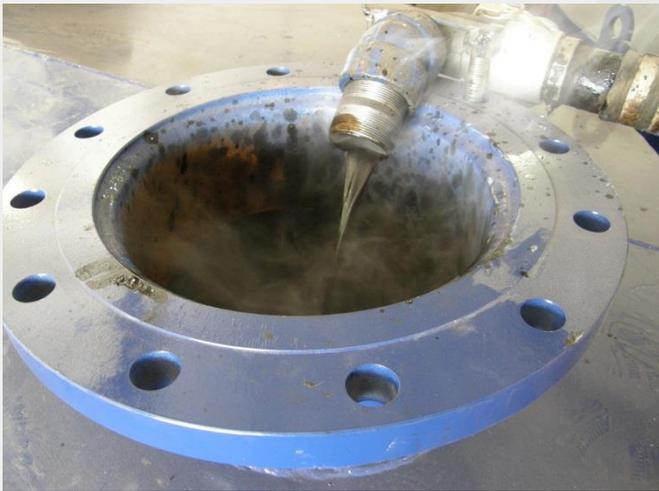
Oil sand ore ready to be fed into the feed hopper



Oil / water / solvent / solids slurry discharge from the rotating drum mixer



Separation vessel top stream



Clean dilute bitumen flowing into a holding tank



Clean damp sand from the vibrating screen collecting in a storage bin



Clean damp sand, no oil residue

EXPERIENCED LEADERSHIP

Management Team



Cameron Todd
CEO

- Experienced leader with over 30 years in oil, gas and oil sands development and operations, most recently as Senior VP Operations, Refining and Marketing at Connacher Oil and Gas
- 13 years as an executive in U.S., Canadian and international oil companies with extensive experience in engineering, production, refining, marketing and project development



Glen Snarr
President & CFO

- Senior financial executive with over 30 years of experience
- 13 years public practice M&A and special situations experience with Deloitte & Touche, 19 years oil & gas experience in senior management capacities
- Chartered Accountant



Tim Wall
VP Engineering

- Over 30 years experience in diverse project engineering and operating management roles
- Previously Senior Project Manager responsible for front-end field investigations and infrastructure planning for \$10 billion Kearn Oil Sands project
- Professional Engineer with APEGA



Barclay Cuthbert
VP Operations

- Over 20 years experience with oil and oilfield services in Canada, Russia and the Middle East
- Previously with LUKoil Overseas in international exploration and production, with heavy oil development focus in South America
- MBA and B.Sc. In Chemistry



Ed Koshka
VP Bus. Development & Marketing

- 28 years of business development can crude oil marketing experience, the last 10 of which have been focused principally on applying technology innovation to oil sands development
- Previously Principal Consultant at Purven & Gertz, following 13 years at Petro-Canada
- Professional Engineer, MBA and B.Sc. in Chemical Engineering



U.S. OIL SANDS®

Cameron M. Todd
CEO

cameron.todd@usoilsandsinc.com

D. Glen Snarr
President & CFO

glen.snarr@usoilsandsinc.com

Suite 1600, 521 – 3rd Avenue SW
Calgary, Alberta T2P 3T3
(403) 233-9366



www.usoilsandsinc.com