Alberta Oilsands Inc. Completes Sale of its Conventional Oil and Natural Gas Assets

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Calgary, March 06, 2013 - Alberta Oilsands Inc. (AOS - TSX Venture), ("Alberta Oilsands" or the "Company") further to its announcement on August 14, 2012, AOS has completed the sale of its conventional oil and natural gas assets (the "Conventional Assets"). In exchange for the sale of the Conventional Assets, AOS received an aggregate of $100,000 and acquired three oil sands leases in the Lesimer area of Alberta, located approximately 70 miles south of Fort McMurray (the "Leismer Oil Sands Leases").

The Leismer Oil Sands Leases consist of a 100% interest in two sections of land (section 05-078-08W4; section 11-078-09W4) and a working interest of 80% in section 19-077-09W, all of which lie within the Athabasca Oil Sands Area. Approval has been received from the Energy Resources Conservation Board for the transfer of the relevant well, facility and pipeline licences in connection with the sale of the Conventional Assets.

AOS' newly acquired Leismer Oil Sands Leases are located within a few miles of Grizzly Oil Sands' proposed May River SAGD project; within 10 miles of Statoil's producing Leismer SAGD project, which is a 18,800 boe/d commercial demonstration project producing since January 2011 and which has a proposed commercial production capacity of 40,000 boe/d; and within 10 miles of Statoil's proposed Corner SAGD project, which has a proposed commercial production capacity of 40,000 boe/d.

The disposition of the Conventional Assets is a significant step taken by the Company to reduce G&A costs. The sale of the Conventional Assets eliminates annual operating and capital costs of approximately $720,000 for 2013, which was budgeted for the Conventional Assets. Since July of 2012, AOS has also reduced management fees by approximately $476,000 on an annual basis and other G&A costs by $345,000 per year.

The disposition of the Conventional Assets was completed in furtherance of AOS' previously announced plans of reducing operating costs, advancing its Clearwater project and pursuing its ongoing international strategy.

About AOS

Alberta Oilsands Inc. is engaged in the exploration and development of drill-defined domestic assets, and an expanding portfolio of international projects. AOS holds 106 bitumen leases in the Athabasca oil sands region of northeast Alberta, primarily its flagship Clearwater and Grand Rapids projects. In addition, the Company's new Africa initiative is focused on active and known onshore and offshore basins on the East Africa Rift System and the offshore in pursuit of additional Cretaceous and Miocene aged critical mass opportunities. The Company's head office is located in Calgary, Alberta, Canada and its common shares are traded on the TSX Venture Exchange under the trading symbol AOS.

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This news release contains forward looking information including expectations regarding the streamlining of costs, optimization of operations, advancing the Clearwater project and pursuing the Company's ongoing international strategy.

Forward looking information is based on management's expectations regarding future growth, results of operations (including production, operating costs, average realized bitumen prices), future capital and other expenditures (including the amount, nature and sources of funding thereof), plans for and results of drilling activity, environmental matters, business prospects and opportunities, future royalty rates, commodity prices and foreign exchange rates and future economic conditions. Forward looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: the risks associated with the oil and gas industry (e.g., operational risks in development, exploration, production and start-up activities; delays or changes in plans with respect to exploration or development projects or capital expenditures; unanticipated operational upsets; the uncertainty of reserve and resource estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations and risks and uncertainties associated with securing and maintaining the necessary regulatory approvals and financing to proceed with the continued expansion at Clearwater. Additional risks and uncertainties relating to AOS and its business and affairs are described in further detail in AOS' Annual Information Form for the year ended December 31, 2011 which is available at www.sedar.com. Although AOS believes that the expectations in such forward looking information are reasonable, there can be no assurance that such expectations shall prove to be correct. The forward-looking information included in this news release is expressly qualified in its entirety by this cautionary statement. AOS assumes no obligation to update or revise any forward-looking information to reflect new events or circumstances, except as required by law.

Certain information included in this press release relating to the production capacity associated with projects located in close proximity to the Leismer Oil Sands Leases is based upon information from government publications and reports or based on information contained within the corporate presentations issued by the applicable company. While Management believes this data to be reliable, this data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data. Accordingly, the accuracy, currency and completeness of this information cannot be guaranteed. The Company has not independently verified any of the data from third party sources referred to in this news release. In addition, design capacity is not necessarily indicative of the stabilized production levels that may ultimately be achieved at the SAGD projects referred to in this news release. All references to barrels of oil equivalent (boe) are calculated on the basis of 6 Mcf:1 bbl (unless otherwise indicated). This conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Boes may be misleading, particularly if used in isolation. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.