



Alberta Oilsands Inc. announces increase in assigned contingent resources at its Fort McMurray Clearwater property

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CALGARY, July 3, 2008 - Alberta Oilsands Inc. (the "Company" or "AOS") is pleased to announce that Ryder Scott Company Canada, Petroleum Consultants ("Ryder Scott"), an independent petroleum consulting firm, has completed a resource assessment update report on the total contingent resources on its Fort McMurray Clearwater property. The report, effective June 1, 2008 estimates that AOS' Clearwater property contains a total of 320 million barrels (MMB) of contingent resources. With this update, Ryder Scott has assigned additional contingent resources to its Fort McMurray property of 104 million barrels of bitumen. This additional assignment represents a 59% increase in contingent resources from the October 2007 report and a 48% increase in contingent resources from the March 2008 update.

INDEPENDENT CONTINGENT RESOURCES ESTIMATE

The following table summarizes the contingent resources assignment history estimate at the Fort McMurray Clearwater property.

Independent Contingent Resource Assignments	Contingent Resources Volume million barrels
Total Contingent Resources October 2007 (pre drill results)	201.0
Additional Assignment March 2008 (pre drill results)	15.0
Total Contingent Resources March 2008 (pre drill results)	216.0
Additional Assignment June 2008 (post drill results)	104.0
Total Contingent Resources as at July 2, 2008	320.0

There is no certainty that it will be commercially viable to produce any portion of the resources described above. For important information regarding the disclosure of resource estimates, including the definitions of "Contingent Resources", please the section entitled "Important Information Regarding the Disclosure of Resources" below.

The increase is noted in a National Instrument 51-101 ("51-101") compliant assessment of the bitumen resources for the property, effective June 1, 2008. The report was based primarily on the open hole well logs and core data, including Dean Stark analyses of core samples, from the March 2008 drilling program. Total additional contingent resources of 104 MMB include primary

and secondary contingent resources. These results were discussed in detail in the Company's June 18, 2008 news release.

At the completion of AOS' March 2008 Clearwater drilling program and core analysis, the company commissioned two reports: a resource assessment update and a net present value (NPV) cash flow evaluation of the potential steam assisted gravity drainage (SAGD) project(s) for these resources. The independent resource assessment update has been completed. The independent net present value (NPV) cash flow evaluation report is expected to be completed shortly.

Management firmly believes that Clearwater West and Clearwater East have sufficient bitumen resources to support commercial projects. Environmental impact assessment and facilities planning work is proceeding for the areas. AOS has engaged an independent engineering firm to conduct a design basis memorandum report that outlines the scope, capital costs and timing requirements for two 10,000 boe/d SAGD projects in the area.

About Ft. McMurray Clearwater Property

Alberta Oilsands Inc. owns a 100% working interest in this 28 section parcel of land located southeast of Fort McMurray. The parcel spans 24 km in the east-west direction and is in close proximity to many services and infrastructure required to develop a commercial oil sands SAGD project. AOS has coined 3 separate project areas in the land block: Clearwater West (Sec 21 & 22 Twp088-R08W4), Clearwater East (Secs. 18, 19 & 30 Twp088-R07W4) and Clearwater North (Secs. 13, 25, 31 - 36, Twp088-R07W4). Ryder Scott has assigned 320 million barrels of contingent resources to a portion of the 3 project areas. The Clearwater North parcels are located north bank of the Clearwater River. The Fort McMurray land parcel was purchased at Crown land sales. The land block is located in the McMurray Formation bitumen sand isopach (thickness) trend mapped by the Alberta Geological Survey which indicates sand isopach in the range of 30 to 50 metres of thickness. AOS has completed its first season of coring in two of the three high bitumen potential areas within the Fort McMurray block. A second season of coring is planned to increase core density to enable filing of a commercial project application in Clearwater West and East. Second season coring has been planned for the Clearwater North area in the winter 2008/2009.

Alberta Oilsands Inc. is a technically driven, high growth energy company focused on creating long term sustainable value through the rapid delineation of the oil sands resources located on the companies mostly 100% working interest lands.

For further information:

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Important Information Regarding the Disclosure of Resources: *There is no certainty that it will be commercially viable for the Company to produce any portion of the bitumen resources detailed above. The high level of uncertainty associated with the Company's possible recovery of any of these resources is the result of various risks and uncertainties including: current uncertainties around the specific scope and timing of the development of the Company's Fort-McMurray properties; the ability of the Company to finance any potential oil sands projects at its Fort-McMurray properties; proposed reliance on technologies that have not yet been demonstrated to be commercially applicable in oil sands applications; lack of regulatory approvals; the uncertainty regarding marketing plans for production from the subject areas; and improved estimation of project costs. There are a number of inherent risks and contingencies associated with such development, including commodity price fluctuations, project costs and those other risks and contingencies discussed in more detail in the section entitled "Business Risks and Uncertainties" in the Company's management discussion and analysis for the year ended December 31, 2007 and in the section entitled "Risk Factors" in the Company's annual information form dated June 23, 2008.*

"Contingent Resources" are defined as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercial recoverable due to one or more contingencies. The contingencies which currently prevent the classification of the contingent resource described above as a reserve are specific capital costs required to render production economic, applicable regulatory considerations, pricing, specific supply costs and other relevant factors described above.

"Resources" are quantities of petroleum that are estimated to exist originally in naturally occurring accumulations, including the quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered.

Resources do not constitute, and should not be confused with, reserves. No bitumen reserves have been recovered within any of the Company's project areas and there is no assurance that any commercial oil sands projects will be developed.

Forward-Looking Statements: *This press release contains certain "forward-looking statements" within the meaning of such statements under applicable securities law including management's assessment of the Company's properties, production and prospects. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions.*

Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in the exploration and development of oil sands properties, the uncertainties involved in interpreting drilling results and other geological data, the possibility that royalties and other government levies could be increased, fluctuating oil prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors including unforeseen delays. As an oil sands focused enterprise, the Company faces risks, including those associated with exploration, development, approvals and the ability to access sufficient capital from external sources. Anticipated exploration and development plans relating to the Company's properties are subject to change. For a detailed description of the risks and uncertainties facing the Company and its business and affairs, readers should refer to the

Company's annual financial statements and management discussion and analysis for the year ended December 31, 2007, both of which are available at www.sedar.com. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, unless required by law. The reader is cautioned not to place undue reliance on forward-looking statements. Barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy and accuracy of this release.

Not for dissemination in the United States of America. This news release shall not constitute an offer to sell or the solicitation of any offer to buy securities of the Company in any jurisdiction, including the United States. The common shares of the Company 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 have not been and will not be offered or sold in the United States or to any U.S. person except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.