



Alberta Oilsands Inc. announces bought deal financing

/NOT FOR DISTRIBUTION IN THE UNITED STATES OF AMERICA/

CALGARY, July 10, 2008 - Alberta Oilsands Inc. (the "Company") is pleased to announce that it has entered into a private placement common share and flow-through common share financing agreement, on a bought deal basis, with an underwriting syndicate led by Canaccord Capital Corporation and including National Bank Financial Inc., BMO Nesbitt Burns Inc., Genuity Capital Markets, GMP Securities L.P., Raymond James Ltd., (collectively the "Underwriters"). The Company will issue 5,000,000 common shares and 11,843,000 flow-through common shares at a price of \$0.75 per common share and \$0.95 per flow-through common share for total gross proceeds of \$15,000,850. In addition, and subject to regulatory approval, the Underwriters will also be entitled to an option to purchase additional common shares and flow-through common shares having a total value of up to \$5,000,000, exercisable in whole or in part. If the Underwriters' option is exercised in full the total gross proceeds of the offering will be approximately \$20,000,000.

The private placement financing is scheduled to close on July 31, 2008 and is subject to customary conditions including regulatory approval. The proceeds of the financing will be used to fund the Company's 2008/09 capital expenditure program. Proceeds from the issuance of the flow-through common shares will be used to incur Canadian exploration expenses on continued exploration of the Company's oil and natural gas properties in western Canada, including its Athabasca oil sands lands, prior to December 31, 2009 and will be renounced to subscribers of the flow-through common shares effective December 31, 2008.

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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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.