



Alberta Oilsands Inc. announces third party valuation of contingent resources and plans two pilot projects towards bitumen production in the Fort McMurray Clearwater property

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CALGARY, July 10, 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 net present value (NPV) cash flow evaluation report and memorandum for two separate potential 10,000 bpd SAGD projects in the AOS Fort McMurray Clearwater West and Clearwater East project areas. The report with an effective date of July 1, 2008, estimates the unrisksed total before income tax net present value discounted at 10% (BFIT NPV10) at \$750 million: NPV10 at \$386 million for Clearwater West and NPV10 at \$363 million for Clearwater East. This scoping valuation is based on preliminary cost and timing estimates, provided by a third party engineering firm, along with the contingent resources assigned to the Clearwater West and East areas as announced in the Company's news release on July 2, 2008 and at a WTI oil price of \$100 per barrel. There is no certainty that it will be commercially viable to produce any portion of the resources described in the previous release. The Company is planning a SAGD pilot in each area to establish bitumen production, subject to regulatory and stakeholder approvals. AOS has 100% working interest in these lands.

Fort McMurray Clearwater West Project

Excerpts of the valuation results for AOS' Clearwater West potential 10,000 bpd SAGD Project (Secs. 21 & 22 Twp 088 R08W4M) over three price scenarios are shown below.

Net Present Value of Future Net Revenue (Before Income Tax)
Constant Price

Gross Bitumen Volume (MMB)	WTI Price (\$/Bbl)	Bitumen Blend (\$/Bbl)	8% (\$MM)	10% (\$MM)	12% (\$MM)
91.0	\$80	\$51.75	464	328	230
91.0	\$100	\$58.89	536	386	276
91.0	\$120	\$71.16	653	479	351

Notes: Assumptions include: peak production rate at 10,000 bpd, end of life decline at 30% until economic limit is reached. Bitumen Blend refers to realized bitumen price of a marketable mixture of bitumen and diluents condensate) that is equivalent to a Lloydminster heavy oil blend. Sustaining apital cost of \$2.50/bbl of bitumen is illustrated above from a range between 2.00/bbl and \$4.00/bbl. The proposed new royalty regime and anticipated federal green house gas levy were used.

Scoping engineering design has been completed for SAGD facilities for the two projects. Clearwater West and East areas are proceeding as separate project areas with shared facilities. AOS is planning a fall 2008 program in the Clearwater West area of approximately 8 to 12 core holes, subject to regulatory approval, to further delineate the areal extent of the thick bitumen pay

and to further confirm the lateral continuity of the high quality reservoir. The fall 2008 program will also explore for suitable future water source and water disposal formations.

The Company is planning 2 to 3 well pair pilot projects, expected to be in the 1,000 to 2,000 bpd range in the Clearwater West and East areas. A pilot application is expected to be completed and submitted in 2009. Drilling of the pilot horizontal wells and construction of pilot facilities will commence upon approval thereafter, with initial steam injection expected to occur in early 2010. The principal objectives of the SAGD pilot are to validate reservoir performance and demonstrate operational feasibility to the stakeholders in the area for a larger development.

Fort McMurray Clearwater East Project

Excerpts of the valuation results for Clearwater East potential 10,000 bpd SAGD Project (Secs. 18, 19 & 30 Twp 088 R07W4) follow.

Net Present Value of Future Net Revenue (Before Income Tax)
Constant Price

Gross Bitumen Volume (MMB)	WTI Price (\$/Bbl)	Bitumen Blend (\$/Bbl)	8% (\$MM)	10% (\$MM)	12% (\$MM)
78.2	\$80	\$51.75	429	307	217
78.2	\$100	\$58.89	497	363	262
78.2	\$120	\$71.16	609	453	336

Notes: Assumptions include: peak production rate at 10,000 bpd, end of life decline at 30% until economic limit is reached. Bitumen Blend refers to realized bitumen price of a marketable mixture of bitumen and diluents (condensate) that is equivalent to a Lloydminster heavy oil blend. Sustaining capital cost of \$2.50/bbl of bitumen is illustrated above from a range between \$2.00/bbl and \$4.00/bbl. The proposed new royalty regime and anticipated Federal green house gas levy were used.

AOS' strategy is to drive towards commercial production of bitumen in a phased implementation manner to maximize current capital efficiency and provide early cash flow. The Company's strategy is to access strategic joint venture partners or financing based on the net present value of the projects and to expand the commercial production of bitumen in substantial increments. Based on the Ryder Scott contingent resources estimate announced on July 2, 2008 and the current NPV valuation report, the Company believes its 2007/2008 winter drilling program has increased net asset value.

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:

Alberta Oilsands Inc.
Suite 2800, 350 - 7th Avenue S.W.,
Calgary, Alberta, T2P 3N9
www.aboilsands.ca

Shabir Premji, C.A., Executive Chairman
T: (403) 232-3341
F: (403) 263-6702
spremji@aboilsands.ca;

or;

Chad Dust, Executive VP Finance
and Business Dev
T: (403) 538-3191
cdust@aboilsands.ca

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.