



Alberta Oilsands Inc. announces closing of bought deal financing

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CALGARY, Aug. 7 - Alberta Oilsands Inc. (the "Company") is pleased to announce that it has closed its private placement offering originally announced on July 10, 2008 (the "Private Placement"). In connection with the Private Placement, the Company has sold 4,878,300 common shares at a price of \$0.75 per common share and 12,440,300 flow-through common shares at a price of \$0.95 per flow-through common share for aggregate gross proceeds of \$15,477,010. The Private Placement was led by Canaccord Capital Corporation and included National Bank Financial Inc., BMO Nesbitt Burns Inc., Genuity Capital Markets, GMP Securities L.P., Raymond James Ltd. and Richardson Partners Financial Limited. In connection with the private placement, the Company paid a commission to the underwriters of approximately \$1.0 million.

The proceeds from the Private Placement 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.

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, management discussion and analysis and annual information form for the year ended December 31, 2007, all 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.

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.

For further information:

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