



Alberta Oilsands Inc. announces 2008 year end results and files annual disclosure documents

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CALGARY – April 30, 2009 - Alberta Oilsands Inc. ("Alberta Oilsands" or the "Company") (TSXV: AOS) is pleased to announce that it has filed its financial statements and management's discussion and analysis for the year ended December 31, 2008. The Company has also filed its reports regarding its reserve data and other oil and natural gas information as mandated by National Instrument 51-101. The above referenced documents, together with the letter to shareholders are available for viewing on SEDAR at www.sedar.com.

Alberta Oilsands continued to make strides in 2008 towards submitting an application in 2009 for its first oil sands pilot project on Alberta's Athabasca fairway. Alberta Oilsands' strategy is to delineate and prove up bitumen reserves sufficient to support a minimum potential 10,000 barrel per day in-situ project within five years.

Although Alberta Oilsands remains firmly focused on extracting bitumen from the province's rich oil sands deposits, the Company took advantage of its strong cash position, its corporate agility and the overall market downturn in early 2009 to acquire some promising conventional assets to supplement its oil sands assets. Alberta Oilsands entered into a conventional farm-in agreement in north-western and central Alberta in January 2009. The objective is to benefit from the team's conventional experience to seize attractive opportunities during the global financial crisis that would not normally be available. The benefits of taking steps at this time to gain access to quality conventional assets are becoming clear with the recent release of encouraging test results. Alberta Oilsands is positioning itself not only to survive the downturn, but to thrive after markets return to normal.

Alberta Oilsands is committed to being prudent in managing its funds until financial markets show signs of sustained recovery.

2008 highlights include the following:

- Raised \$23.6 million, including \$8.1 million in a non-brokered private placement financing and \$15.5 million through a bought-deal equity financing.
- Received approval for the Fort McMurray Clearwater Oil Sand Exploration Program application from Alberta Sustainable Resources Development.
- Completed a strategic pooling of contiguous oil sands acreage with an oil sands producer in the Hangingstone East/Halfway Creek area of Alberta.
- Commenced and completed a drilling program at Clearwater West property. The drilling results confirm high quality bitumen and cap rock integrity testing results are positive, providing the results the Company needs to proceed with its Steam-Assisted Gravity Drainage (SAGD) pilot project submission.
- Selected to the "TSX Venture 50," a ranking of Canada's top emerging public companies. Alberta Oilsands was ranked fourth in the oil and gas sector.
- Completed facilities upgrades at central Alberta property resulting in reduced operating costs.

- Identified six conventional, light oil focused development drilling locations on the Company's Nisku property.
- Obtained a net present value report by Ryder Scott Company that estimates the unrisked total value of Alberta Oilsands' Clearwater project areas at \$464 million based on a price of US\$55 West Texas Intermediate (WTI) (see "Review of Oilsands Operations – Resource assessment" below in this news release).
- Received an increase to contingent resources at its Fort McMurray property resulting in an assignment of 320 million barrels of bitumen a 59% increase since the October 2007 Ryder Scott report (see "Review of Oilsands Operations - Net present value cash flow evaluation" below in this news release).
- Sought strategic partners to accelerate the Company's growth plan.
- Entered into two production sharing contracts in Kenya, through its wholly owned subsidiary Platform Resources, to allow it to evaluate two exploration blocks.

Subsequent events:

- Entered into a significant farm-in agreement on conventional oil and natural gas assets in the McLeod area of Central Alberta and the Hamburg area of northwest Alberta.
- Successfully drilled one (0.5 net) Slave Point discovery well in the Hamburg area and placed on production on April 1, 2009 at an average gross rate of 5 million cubic feet per day.

Review of Oil Sands Operations

Due to market and economic conditions, Alberta Oilsands is currently focusing all of its oil sands development efforts on its Clearwater West project, which is at the most advanced stage of development. All other oil sands activities have been deferred until the economic environment improves. When conditions warrant additional exploration and development, Alberta Oilsands will be able to take advantage of its depth of opportunities on 140.5 sections (121.5 net) of Alberta's Athabasca oil sands fairway. These opportunities include three potential project areas at Clearwater, one joint project at Hangingstone, one prospect at Algar Lake and one prospect at Grand Rapids.

Fort McMurray Clearwater West, East and North Projects:

By focusing its attention on Clearwater West at the end of 2008, Alberta Oilsands has been able to make significant progress on its path to production in the oil sands. By the end of January 2009, the Company had commenced its arrangements for water sourcing and water disposal. By the end of February 2009, the Company had received the initial results of its cap rock study. Additional results are expected in May 2009. The initial cap rock results were encouraging.

As a result of coring activity in the 2007/2008 winter coring program, Ryder Scott Company of Canada, an independent petroleum consulting firm, has assigned 320 million barrels of contingent resources to a portion of Alberta Oilsands' Clearwater parcel in a resource report dated June 1, 2008. With an additional 16 core holes drilled during the fall of 2008 and the winter of 2009, the Clearwater West project area was adequately delineated by the end of the first quarter of 2009 to provide the necessary data for the pilot project application, which is expected to be submitted in 2009.

The Company undertook a cap rock study during the fall/winter coring season. The study included ERT, in-situ mini FRAC and elevated temperature intrusion permeability testing. The results exceeded all cap rock regulatory integrity requirements. The ERT (Electro Resistivity Tomography) confirmed the lateral continuity of the cap rock validating the applicability of the use of SAGD recovery methodology for the Clearwater West project. In addition, two water source and disposal zones respectively were identified.

Resource assessment and net present value cash flow evaluation

Alberta Oilsands has commissioned a resource report from Ryder Scott Company to reflect the Company's delineation drilling activities in the fall of 2008 and 2009. The results of this report are expected to be available by May 2009.

Alberta Oilsands commissioned two reports from Ryder Scott at the completion of the Company's March 2008 drilling program and core analysis at Clearwater; a resource assessment update and a net present value (NPV) cash flow evaluation of the potential conventional SAGD projects for these resources. These reports were completed in July 2008, prior to the Company's delineation drilling in the fall of 2008 and into 2009. An excerpt of these reports follows.

Resource assessment:

Ryder Scott presented Alberta Oilsands with a National Instrument 51-101 compliant independent resource report in July 2008 dated June 1, 2008. The report attributed an estimated contingent (recoverable) resource of 320 million barrels over five sections. This represents a 59% increase from the 2007 report. The following table summarizes the contingent (recoverable) resources assignment history at the Fort McMurray Clearwater properties.

Independent Contingent Resource Assignments	Estimated 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, June 2008	320.0

Net present value cash flow evaluation report:

On July 10, 2008, the Company released the Ryder Scott net present value (NPV) cash flow evaluation report and memorandum for two separate potential 10,000 barrels per day SAGD projects in Alberta Oilsands' Fort McMurray Clearwater West and Clearwater East project areas. The report, with an effective date of July 1, 2008, was prepared in accordance with the Canadian Oil and Gas Evaluation Handbook (the COGE Handbook) and estimates the unrisks total before income tax net present value discounted at 10% (BFIT NPV10) at approximately \$635 million: NPV10 at approximately \$328 million for Clearwater West and NPV10 at approximately \$308 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 an assumed WTI oil price of US\$80 per barrel.

The Company has obtained a net present value update with a US\$55 WTI price which estimates the unrisks total, before tax, at NPV10 of Alberta Oilsands' Clearwater East and West projects at \$464 million, therefore the Company believes that, based on certain assumptions and conditions, its projects continue to be economically viable. See "Oilsands Development Risks" in the MD&A.

Excerpts of the valuation results for Alberta Oilsands' Clearwater West and Clearwater East potential 10,000 bpd SAGD Projects over three constant price scenarios are shown below with the respective bitumen volumes:

Fort McMurray Clearwater West Project Scoping Economics

Gross Bitumen Volume (MMB)	US/Cdn Exchange Rate	WTI Price (US\$/Bbl)	Bitumen Blend (Cdn\$/Bbl)	Net Present Value of Future Net Revenue (Before Income Tax) at Constant Price		
				8% (Cdn\$MM)	10% (Cdn\$MM)	12% (Cdn\$MM)
91.0	0.82	\$55.00	\$47.73	\$347	\$237	\$157
91.0	0.95	\$80.00	\$51.72	\$464	\$328	\$230
91.0	1.00	\$100.00	\$58.89	\$536	\$386	\$276

Fort McMurray Clearwater East Project Scoping Economics

Gross Bitumen Volume (MMB)	US/Cdn Exchange Rate	WTI Price (US\$/Bbl)	Bitumen Blend (Cdn\$/Bbl)	Net Present Value of Future Net Revenue (Before Income Tax) at Constant Price		
				8% (Cdn\$MM)	10% (Cdn\$MM)	12% (Cdn\$MM)
78.2	0.82	\$55.00	\$47.73	\$319	\$227	\$148
78.2	0.95	\$80.00	\$51.72	\$429	\$308	\$218
78.2	1.00	\$100.00	\$58.89	\$498	\$364	\$263

Notes: Assumptions include: peak production rate at 10,000 bpd and 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 roughly equivalent to a Lloydminster heavy oil blend. Sustaining and operating costs of \$8.61/bbl of bitumen were used. The proposed new Alberta royalty regime and anticipated Federal green house gas levy were also used.

Review of Conventional Operations

Alberta Oilsands uses cash flow from its growing base of conventional production to assist in funding general and administrative expenses. In addition to producing an average of 61 boe per day ("boe" or barrels of oil equivalent) of conventional production in Alberta during 2008, Alberta Oilsands entered into a significant conventional farm-in agreement in the first quarter of 2009 related to properties in northwest and central Alberta. Pursuing conventional exploration plays allows Alberta Oilsands to prudently invest capital raised through the sale of flow-through shares in 2008, providing access to incremental production and consequently funding until markets return to normal.

As part of the farm-in agreement, AOS successfully completed a significant Slave Point exploration discovery well at Hamburg in northwest Alberta. The Company has a 50% working interest in the well, and testing in the pipeline started on April 1, 2009 with the well tied into the local gathering system. The well was placed on production at rates averaging 833 (416 net) boe per day. All produced gas and associated liquids are being processed and sold. This well is expected to pay the reduced 5% royalty for its first 500 mmcf of production.

Annual Operating Highlights

	2008	2007
Petroleum and natural gas sales (\$)	2,032,513	2,980,974
Petroleum & natural gas sales per boe (\$)	91.39	67.08
Daily sales volumes (boe 6:1)	61	122
Net loss for the period (\$)	(4,734,313)	(2,754,755)
Net loss per share - basic and diluted (\$)	(0.07)	(0.06)
Cash flow used in operations (\$)	(1,257,504)	(581,763)
Capital expenditures (\$)	15,623,603	20,221,545
Working capital as at December 31	14,560,866	7,664,662
Common shares outstanding as at December 31	79,651,375	53,542,098

Outlook:

Alberta Oilsands continues to believe in the future viability of the oil sands in Alberta. The Company believes the oil sands are viable in the medium and long-term thanks to operating leverage and technological advances that reduce environmental impact, the province's proximity to the United States and the global supply-demand equation. Alberta Oilsands is well positioned to tap into this future because of the characteristics of its proposed in-situ SAGD method of bitumen extraction. Alberta Oilsands' SAGD operation at Clearwater West would be close to infrastructure, allow for low injection pressure, have no bottom water, would have a deep water source and a water disposal zone and competent cap rock.

Alberta Oilsands has a healthy balance sheet. The Company raised \$23.5 million from January to August 2008, allowing the Company to end the year on December 31, 2008 with \$19.0 million in the bank and no debt.

The Company's focus for 2009 is to submit a pilot project application for its Clearwater West property. The Company believes it has sufficient working capital and revenue from conventional production to complete the requirements for the pilot project application. The construction of the pilot project will be dependent on the availability of capital and commodity prices. The Company expects the global downturn to be felt for some time; however, expects healthier financial markets and commodity prices in 2010, allowing for continued exploration and development of the oil sands.

Alberta Oilsands continues to evaluate multiple approaches to finance its capital expenditures. The preference is to proceed with projects on a 100% working interest basis, provided the capital markets recognize the value of the assets and facilities and are conducive to the raising of project capital at non-dilutive levels. The Company is also seeking industry and financial partners as additional sources of funding to mitigate this risk.

Although the Company is confident in its financial strength, management has also taken steps to lower its risk during the global financial downturn. The Company has reduced its capital program to defer or reduce spending on exploratory projects and to focus on the projects that will get the Company to initial oil sands production as soon as possible. In January 2009, Alberta Oilsands' 2009 capital budget has been reduced to \$11.0 million, \$6.0 million of which is allocated towards the Company's oil sands assets, mostly in the Clearwater area and \$5.0 million is allocated to exploration and development of conventional opportunities. This reduced capital budget will nevertheless still enable the Company to incur the required qualifying expenditures from the 2008 flow-through financings by December 31, 2009. The capital budget may be adjusted as conventional opportunities arise and fiscal environment changes.

Management believes capital management, revenue from conventional production and the depth of opportunity on its current assets all provide the Company with a strong outlook for the future.

The Company will file its annual management's discussion and analysis and audited consolidated financial statements and notes thereto as at and for the year ended December 31, 2008 in accordance with National Instrument 51-102 - Continuous Disclosure Obligations adopted by the Canadian securities regulatory authorities. Additional information about the Company, including the audited consolidated financial statements and notes thereto and management's discussion and analysis as at and for the year ended December 31, 2008, are available on the Company's SEDAR profile at www.sedar.com

Alberta Oilsands Inc. is a technically driven high growth energy company focused on and the creation of long term sustainable value through the development and conversion of the company's oil sands resources to reserves and by increasing production and cash flow on relevant conventional oil and natural gas assets.

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 resources detailed in this news release and the estimated future net revenues and values contained in this news release do not necessarily represent the market value of such resources. There are a number of inherent risks and contingencies associated with oil sands development, including commodity price fluctuations, project costs and those other risks and contingencies discussed in more detail in the sections entitled "Oilsands Developments Risks" and "Business Risks and Uncertainties" in the Company's management discussion and analysis for the nine-months ended September 30, 2008 and the year ended December 31, 2008. See also "Forward-Looking Statements and Information" below.*

"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. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters or a lack of markets. Certain of these contingencies, as they apply to the Company, are discussed in more detail under the headings "Disclosure of Resources" in the Company's management discussion and analysis for the nine-months ended September 30, 2008 and the year ended December 31, 2008.

"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 and contingent 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 and Information: *This press release contains certain forward-looking statements and information ("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. In particular, this news release contains forward-looking statements with respect to: (i) the possible development (including the timing of such development) on the Company's oilsands properties, including in respect of pilot projects and further*

development in respect of its Fort-McMurray properties; (ii) the results of such oilsands development and (iii) the ability of the Company to enter into, and the final terms of, a subsequent agreement with FMAC to grant the Company certain access and development rights. 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 risks and uncertainties discussed in the Company's annual financial statements, management discussion and analysis and annual information form for the year ended December 31, 2008 as well as the Company's management discussion and analysis for the nine-months ended September 30, 2008, all of which are available at www.sedar.com. Readers are urged to review such risks and uncertainties in their entirety. In addition, there can be no assurances that the Company will be able to enter into a definitive agreement with FMAC on the terms proposed, or at all, or that the Company will be able to obtain the required regulatory approvals in respect thereof. The Company undertakes no obligation to update such forward-looking statements or information if circumstances or management's estimates or opinions should change, unless required by law.

Statements relating to "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the described resources exist in the quantities predicted or estimated, and can be profitably produced in the future. See "Important Information Regarding the Disclosure of Resources" above in this news release. 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.

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