



Alberta Oilsands Inc. issues options

CALGARY, July 28, 2010 - Alberta Oilsands Inc. (the "Company" or "AOS") (TSXV: AOS) today announces that, pursuant to the provisions of its stock option plan, it has granted an aggregate of 600,000 options to the new directors of the Company who were appointed in April of 2010. The options have an exercise price of \$0.325 per share. As with previous option grants by the Company, the options vest as to 1/3 immediately, 1/3 on the first anniversary of the date of grant and the balance on the second anniversary of the date of grant. The options expire on July 28, 2015. Stock option grants are subject to necessary regulatory approvals.

About Alberta Oilsands Inc.

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

For further information

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