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**NEWS RELEASE**

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**TSX Trading Symbol: UTS**

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**UTS ACQUIRES CONTROL OF THE FORT HILLS OIL SANDS PROJECT  
AND COMPLETES \$100,100,000 PUBLIC OFFERING**

Calgary, Alberta, Canada – UTS Energy Corporation (“UTS Energy”) is pleased to announce that it completed the acquisition of TrueNorth Energy L.P. and TrueNorth Energy Corp. (“TrueNorth”), both affiliates of Flint Hills Resources LLC, for cash proceeds of \$125 million and 7,000,000 common share purchase warrants; each warrant is convertible into one common share of UTS Energy at a price of \$0.75 per common share for a period of five years. The acquisition results in UTS Energy owning 100% of the Fort Hills oil sands project (“Fort Hills”). Prior to the acquisition UTS Energy held a 22% interest in the Project.

UTS Energy is also pleased to announce it has completed the public offering of 143,000,000 units of UTS Energy for gross proceeds of \$100,100,000 to. Each unit consists of one UTS Energy common share and one-half share purchase warrant. Each full share purchase warrant will allow a warrant holder to purchase one common share of UTS Energy at a price of \$0.70 over the next 12 months. Gross proceeds of the offering were used to partially fund the acquisition of TrueNorth Energy, representing the remaining 78% interest in the Fort Hills oil sands mining project that UTS Energy did not own. UTS Energy has also granted the underwriters an over-allotment option to acquire up to 21,450,000 UTS Energy units at any time within 30 days of closing of the offering at the same price as this offering. The syndicate of underwriters for the private placement syndicate of underwriters lead by RBC Capital Markets and including TD Securities Inc., CIBC World Markets Inc., Raymond James Ltd., Canaccord Capital Corporation and Sprott Securities Inc.

Fort Hills is located in Alberta’s Athabasca oil sands region approximately 90 kilometres north of Fort McMurray, contiguous to the Syncrude North Aurora Mine and Shell’s Muskeg River Mine. The Project area encompasses 46,000 contiguous acres and comprises Oil Sands Leases 5, 8 and 52. Fort Hills contains 4.7 billion barrels of bitumen in place, of which 2.8 billion barrels are recoverable under the mine plan. Supporting this resource estimate is a database comprising very high quality drilling and related analytical information. To date, UTS Energy and TrueNorth have invested approximately \$178 million in the Project.

The Alberta Department of Energy has agreed to amend the development plan for Fort Hills, including the production milestone from a production level of 30,000 barrels per day of bitumen to production of 50,000 barrels per day of bitumen by June 30, 2009. UTS Energy has also agreed to actively and aggressively pursue the development of the Project, which will be measured with reference to the UTS Energy plan of development for the Project.

Fort Hills received regulatory approval from the Alberta Energy and Utilities Board in October 2002 to produce up to 235,000 barrels of bitumen per day. In order to optimize the plan of development, the Project is in the initial process of being re-scoped to reflect a staged development with a proposed initial phase of production totaling 50,000 barrels per day of bitumen in 2009; with further expansions to follow resulting in production in excess of 200,000 barrels per day. The bitumen is expected to be upgraded to synthetic crude oil utilizing a delayed coker/hydrotreater configuration.

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