

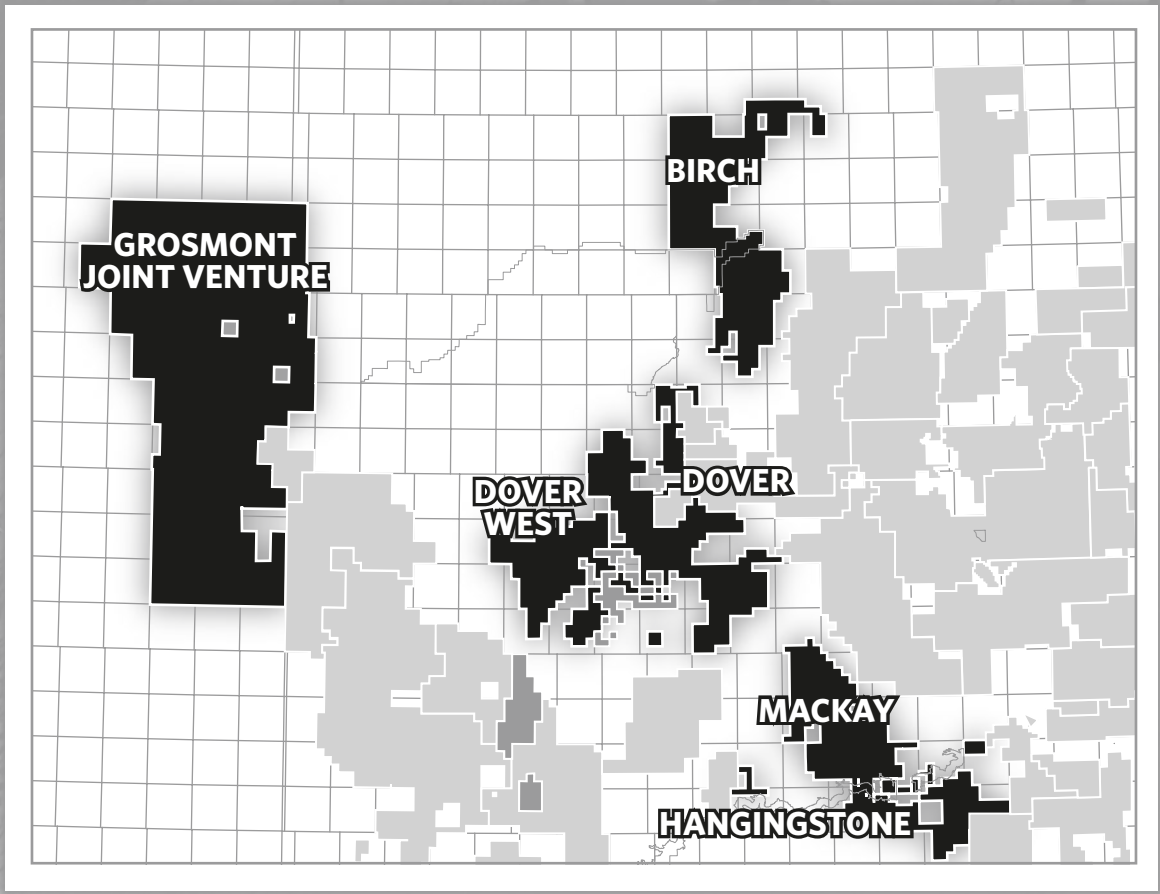


ATHABASCA
OIL SANDS CORP.



SECOND QUARTER REPORT 2009

LARGEST LAND OWNER
VAST RESOURCES
STRONG TECHNICAL TEAM
EXPERIENCED MANAGEMENT





MANAGEMENT'S DISCUSSION & ANALYSIS

This Management's Discussion and Analysis ("MD&A") of Athabasca Oil Sands Corp. ("AOSC" or "the Company") is dated September 3, 2009 and should be read in conjunction with the audited consolidated financial statements at and for the years ended December 31, 2008 and 2007. The audited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

OVERVIEW

AOSC was incorporated on August 23, 2006 under the laws governing the Province of Alberta and is in business to explore for, develop and produce oil sands-related assets in the Athabasca oil sands region of northern Alberta. AOSC is a privately held company.

The Company's activities in the second quarter of 2009 included delineation drilling and evaluations in the main asset areas of Dover, MacKay River and Dover West. At June 30, 2009 the Company owned more than 1.55 million net acres of oil sands leases. The Company has also been successful in continuing to enhance the experienced management and technical team.

During Q2 2009, AOSC received an updated independent resource evaluation report from GLJ Petroleum Consultants (GLJ) for its core areas MacKay River, Dover and Dover West where it has a 100% working interest. The Company drilled 71 wells last winter in these core areas. GLJ also evaluated AOSC's 780 thousand acre joint venture area where the company holds operatorship and a 50% working interest. Five wells were drilled last winter in the joint venture area. AOSC is very pleased with the results of the overall program resulting in an approximate 40% increase in recoverable "best estimate contingent resources" up to 10.1 billion barrels.

All of AOSC's recoverable bitumen will be produced using thermal recovery methods. Thermal recovery methods produce bitumen from wells after applying heat to the reservoir. More than 80% of the bitumen resources in the entire Athabasca region are suitable for thermal recovery, while the remaining 20% of the bitumen resources may be developed using mining extraction methods. Thermal recovery projects typically have low environmental impact, are economically robust even at low oil prices and are seen as "the future" of oil sands development. AOSC has the largest lease holding in the Athabasca area with a net working interest of more than 1.55 million acres. The new resource update positions AOSC as the region's second largest holder of best estimate contingent resources suitable for thermal recovery following the Suncor/Petro-Canada merger.

AOSC's strategic focus will be the development of the MacKay River and Dover areas. Applications for regulatory approval of two pilot projects located in the MacKay River and the Dover areas were filed with the ERCB during 2008. The first commercial project is planned to be a 150,000 bbl/d SAGD development in MacKay River. The first phase will have a capacity of 35,000 bbl/d with production anticipated in 2014. AOSC expects to file the regulatory application towards the end of 2009.

On August 28, 2009, AOSC entered into a series of agreements with PetroChina International Investment Company Limited (PetroChina International), a wholly owned subsidiary of PetroChina Company Limited (PetroChina), pursuant to which PetroChina will acquire a 60% working interest in AOSC's MacKay River and Dover oil sands projects for cash consideration of \$1.9 billion. The agreements also provide for certain financing arrangements for AOSC.



SUMMARY OF FINANCIAL RESULTS

The following table summarizes selected consolidated financial information of the Company:

(CDN\$ THOUSANDS, EXCEPT PER SHARE AMOUNTS)	AT AND FOR THE THREE MONTHS ENDED JUNE 30, 2009	AT AND FOR THE SIX MONTHS ENDED JUNE 30, 2009	AT AND FOR THE TWELVE MONTHS ENDED DEC. 31, 2008
Total assets	\$ 743,133	\$ 743,133	\$ 768,376
Working capital	180,085	180,085	278,986
Shareholders' equity	346,097	346,097	362,266
Net loss	(6,012)	(18,989)	(24,647)
Net loss per share (basic and diluted)	\$ (0.03)	\$ (0.10)	\$ (0.14)
Weighted average common shares outstanding (basic and diluted)	196,468,072	195,479,100	181,550,247

CAPITAL EXPENDITURES

At June 30, 2009 the Company owned in excess of 1.55 million net acres of oil sands leases (mineral rights), including approximately 780 thousand gross acres in a 50/50 joint venture in the Athabasca region of northern Alberta. For the three and six months ended June 30, 2009, capitalized costs associated with our mineral property expenditures were \$3.5 million and \$5.7 million respectively.

For the three and six months ended June 30, 2009, drilling costs associated with the 76 well winter core hole program were \$1.3 million and \$56.3 million respectively and \$2.4 million and \$8.9 million respectively for geological and geophysical exploration and evaluation, primarily consisting of seismic, surveying, and core evaluation.

For the three and six months ended June 30, 2009, engineering expenditures were \$3.2 million and \$4.8 million respectively and expenditures for preliminary work on the Company's pilot and commercial projects were \$0.5 million and \$2.6 million respectively.

For the three and six months ended June 30, 2009, \$4.5 million and \$8.1 million of capitalized interest on borrowing costs related to capital expenditures is included in the aggregate period total capital expenditures.

The following table summarizes the capital expenditures of the Company for the three and six months ended June 30, 2009 and the year ended December 31, 2008:

(CDN\$ THOUSANDS)	THREE MONTHS ENDED JUNE 30, 2009	SIX MONTHS ENDED JUNE 30, 2009	YEAR ENDED ENDED DEC. 31, 2008
Mineral properties	\$ 3,522	\$ 5,693	\$ 66,209
Exploration and evaluation - delineation drilling	1,319	56,323	85,067
Exploration and evaluation - geological and geophysical	2,417	8,889	16,108
Engineering	3,157	4,777	10,793
Pilot project	494	2,618	1,105
Corporate assets	249	263	647
Total capital expenditures	\$ 11,158	\$ 78,563	\$ 179,929



RESULTS OF OPERATIONS

During the three and six months ended June 30, 2009, AOSOC recorded a net loss of \$6.0 million and \$19.0 million respectively (2008 - \$3.2 million and \$5.1 million).

The following table summarizes the Company's results of operations for the three and six months ended June 30:

(CDN\$ thousands)	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2009	2008	2009	2008
Revenue				
Interest and other income	\$ 916	\$ 196	\$ 2,276	\$ 1,113
Expenses				
General and administrative	2,395	1,684	4,738	2,842
Stock-based compensation	617	2,203	1,232	5,215
Financing and interest	6,060	-	20,593	36
Depreciation and accretion	73	39	133	69
Research and development expense (recovery)	39	(213)	492	20
Future income tax recovery	(2,256)	(290)	(5,923)	(1,981)
Net loss and comprehensive loss	\$ (6,012)	\$ (3,227)	\$ (18,989)	\$ (5,088)

For the three and six months ended June 30, 2009, interest income increased by \$0.7 million and \$1.2 million respectively compared to the same periods in 2008. The increase results from interest earned on higher cash and cash equivalent and short-term investment balances during 2009, obtained from financing activities in July 2008.

For the three and six months ended June 30, 2009, general and administrative expenses increased by \$0.7 million and \$1.9 million respectively compared to the same periods in 2008. General and administrative expenses include salaries, consulting fees, rent, and other office related costs. Increases in general and administrative expenses are primarily due to the addition of staff and office space.

For the three and six months ended June 30, 2009, stock-based compensation expense decreased by \$1.6 million and \$4.0 million respectively compared to the same periods in 2008. The decrease results from Founders' common shares granted early in the Company's history becoming fully vested and expensed. There was also a decrease in grants of Founders' common shares and performance warrants in favour of stock options, which have a lower estimated fair value.

For the three and six months ended June 30, 2009, financing and interest costs increased by \$6.1 million and \$20.6 million respectively compared to the same periods in 2008 due to the issuance of \$400.0 million of senior secured debentures in July 2008. Depreciation and accretion expense increased compared to 2008 due to depreciation on corporate assets and accretion on asset retirement obligations.

For the three and six months ended June 30, 2009, research and development expense increased by \$0.3 million and \$0.5 million respectively compared to the same periods in 2008 due to AOSOC's involvement in joint industry projects and internal AOSOC employee work on research and development activities. The recovery position for the three months ended June 30, 2008 resulted from a reversal of a previously recorded provision related to our potential involvement in joint industry projects.



LIQUIDITY AND FINANCIAL RESOURCES

Working Capital

At June 30, 2009 the Company had working capital of \$180.1 million.

On July 30, 2008, the Company issued \$400.0 million of senior secured debentures with a term of three years, maturing July 30, 2011. The debentures bear an interest rate of 13% paid semi-annually in arrears on December 31 and June 30. An amendment to the Company's credit facility, reducing the available amount from \$50.0 million to \$25.0 million, was made in conjunction with this issuance and the entire outstanding credit facility balance was repaid with the proceeds.

In accordance with the Trust Indenture dated July 30, 2008, the Company set aside the first two interest payments related to the debentures, which was held in Trust. The first interest payment of \$22.1 million was made December 31, 2008 and the second interest payment of \$26.0 million was made June 30, 2009.

The debenture proceeds were invested in short-term cash equivalent banker's acceptance and bank notes with terms currently ranging from 88 to 181 days, bearing interest rates from 0.28% to 0.45%.

AOSC believes the closing working capital surplus, coupled with the credit facility will be sufficient to finance the Company's 2009/10 capital expenditure program.

Recent developments in capital markets have restricted access to new debt and equity for many companies. AOSC is reviewing its 2009/10 capital spending requirements to ensure existing cash carries us to our planned next stage of financing. The Company is also reviewing its options for financing its future capital programs in the context of the present financing environment, which may include sourcing additional debt facilities, equity markets or potentially joint ventures.

AOSC believes cash proceeds from the PetroChina transaction will be sufficient to finance the Company's capital expenditure program for the next few years, including development of the initial commercial phases for both MacKay River and Dover. In addition, the financing arrangements included in the transaction provide further financial resources to develop the two areas.

Estimated Future Minimum Commitments

(CDN\$ THOUSANDS)	2009	2010	2011	2012	2013	THEREAFTER	TOTAL
Long-term debt repayment	-	-	400,000	-	-	-	400,000
Interest payments on long term-debt	26,000	52,000	29,918	-	-	-	107,918
Office leases	1,192	2,384	2,384	2,384	1,071	1,400	10,815
Other	110	200	200	200	200	-	910
Total commitments	27,302	54,584	432,502	2,584	1,271	1,400	519,643

Shareholders' Equity

During the six months ended June 30, 2009, 380,000 purchase warrants were exercised for proceeds of \$0.5 million.

The Company reserved 3.7 million common shares to be issued provided the Company did not meet the liquidity event requirements by February 16, 2009 as outlined in the August 2007 and December 2007 share subscriptions. These common shares represent approximately 0.10 shares per right/warrant issued under the 2007 financings.

The Company did not meet the liquidity event requirements under the share subscription agreements and issued 3.7 million common shares upon automatic conversion of the outstanding liquidity rights/warrants.



The following table summarizes the number of share capital instruments outstanding or contingently issuable (in the case of liquidity rights/warrants):

	AT JUNE 30, 2009	AT DECEMBER 31, 2008
Common shares	196,646,094	192,529,661
Purchase warrants	103,901,250	104,281,250
Series I performance warrants	5,000,000	5,000,000
Series II performance warrants	5,000,000	5,000,000
Stock options - granted	1,809,000	1,657,000
Stock options - ungranted	1,691,000	343,000
Liquidity rights/warrants	-	3,736,433
Total share capital instruments	314,047,344	312,547,344

Long-term Debt

On July 30, 2008, the Company issued \$400.0 million of senior secured debentures with a term of three years, maturing July 30, 2011. The debentures bear an interest rate of 13% paid semi-annually in arrears on December 31 and June 30. The debentures also include an early payout feature depending on various conditions, which would result in payout between 105% and 110% of face value. The debentures are secured by a fixed and floating demand debenture and a general assignment of debt over unconventional oil sands leases.

Proceeds from the financing were used to fund the winter 2009 core hole drilling program, business development, and company operations.

Income Taxes

At June 30, 2009, the Company had approximately \$548.4 million of tax pools available for deduction against future taxable income, including non-capital losses of \$256.5 million which begin to expire in 2026.

FINANCIAL REPORTING UPDATE

Adoption of New Accounting Policies

During the first quarter of 2009, the Company incurred asset retirement obligations ("ARO"). The estimated fair value of the statutory, contractual or legal liability associated with the retirement and reclamation of tangible long-lived assets is recorded when incurred, with a corresponding increase to the carrying amount of the related assets, when a reasonable estimate of the fair value can be made. The increase to capitalized costs is amortized to net income on a basis consistent with depletion, depreciation, and accretion ("DD&A") of the underlying assets. On a periodic basis, management will review these estimates and changes, if any, in the estimated fair value of the ARO are capitalized and amortized over the remaining useful life of the underlying asset. The ARO liabilities are carried on the consolidated balance sheets at their discounted present value and are accreted over time for the change in their present value, with this accretion charge included in DD&A. Actual expenditures incurred are charged against the accumulated obligation. Any difference between the recorded ARO and the actual retirement costs incurred is recorded as a gain or loss in the settlement period.

Future Accounting Pronouncements

In January 2009, the CICA issued a new accounting standard, section 1582 "Business Combinations", which prospectively establishes principles and requirements of the acquisition method for business combinations and related disclosures that will be effective for AOSC's 2011 reporting. These recommendations are effective for business combinations occurring after January 1, 2011, although early adoption is permitted.



In January 2009, the CICA issued a new accounting standard, section 1601 “Consolidated Financial Statements”, which establishes standards for the preparation of consolidated financial statements that will be effective for AOSC’s 2011 reporting. The adoption of these recommendations is not expected to have a material impact on AOSC.

In June 2009, the CICA revised section 3862 “Financial Instruments - Disclosures”, to include a hierarchy concept in measuring financial instruments, a requirement to provide disclosure concerning the fair value measurements of assets and liabilities for each hierarchy level and amendments to the liquidity disclosure requirements. The recommendations are effective for AOSC’s 2009 annual reporting. The adoption of these recommendations is not expected to have a material impact on AOSC.

On February 13, 2008, the Canadian Accounting Standards Board (“AcSB”) confirmed the use of International Financial Reporting Standards (“IFRS”) for publicly accountable profit-oriented enterprises, beginning on January 1, 2011 with appropriate comparative data from the prior year. IFRS will replace the current CICA Handbook as Canadian GAAP for these entities. Under IFRS significantly increased disclosure is required, especially for interim reporting. While IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policies which must be addressed. AOSC is evaluating the impact the adoption of IFRS will have on the Company’s consolidated financial statements. The Company has appointed internal staff to lead the conversion project along with sponsorship from the senior management team. In addition, an external advisor was retained to assist the Company in scoping its conversion project and performed a diagnostic analysis that identified high level differences between GAAP and IFRS as it relates to the Company’s current accounting policies. AOSC is performing a detailed analysis that identifies differences between the Company’s current accounting policies and IFRS in order to make appropriate accounting policy choices under IFRS.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements, based on Canadian generally accepted accounting principles, requires the use of estimates and assumptions derived from management’s professional judgment. By definition, estimates and assumptions are subject to a certain degree of uncertainty and the effects of changes in these estimates and assumptions on the Company’s unaudited consolidated financial statements could be significant. Our critical accounting policies and estimates are consistent with our 2008 annual MD&A dated April 16, 2009, except as noted above under Financial Reporting Update.

RISK MANAGEMENT

The financial performance of AOSC may be influenced by a variety of risks inherent to the oil and gas industry, many of which are outside the Company’s control. At this stage, AOSC does not have material operations and the Company’s primary assets consist of leases held for the purpose of oil sands exploration and development. AOSC’s ongoing success depends on the Company’s ability to execute the development projects currently planned.

Factors currently influencing the Company’s ability to succeed include, but are not limited to, the following:

Resource Development and Production

The success of AOSC will largely depend on its ability to continue drilling successful exploration/appraisal wells, prove up economic resources and develop economic projects. AOSC’s first three drilling seasons were successful and management’s geological model and understanding of the Company’s acreage was solidified by the well results. AOSC is optimistic about the future potential, however, there is no guarantee that all lands are representative of the drilling results.

Resources have to be produced and important reservoir engineering and modeling has to be done before the true potential of the leases are known. Every well drilled contributes important data to the model which invariably reduces the Company’s overall risk.



Increasing Cost Environment

Competition and increased activity within the oil sands industry historically contributed to an escalating cost environment for most, if not all, aspects of the business. The cost to acquire exploration leases and the price of the professional services and skilled labor necessary to evaluate and develop acquired lands has steadily increased. The recent market downturn has increased availability of certain services and there is a downward trend in certain associated costs. AOSC's success will be contingent on its ability to secure key services at costs that align when integrated into full project economics.

Capital Requirements

The exploration, evaluation and development of oil sands assets requires the infusion of substantial capital on an ongoing basis due to the lack of internally generated cash flows in the early stages of corporate growth. These exploration, evaluation and development activities must therefore be financed by either equity, debt or some combination of equity and debt. Although the Company does its best to manage the timing of financial activities to coincide with favorable market conditions, there is no guarantee that such financing will be available based on terms and/or timing that would be acceptable to the Company.

Recent developments in capital markets have restricted access to new debt and equity for many companies. AOSC is reviewing its 2009/10 capital spending requirements to ensure existing cash carries to our planned next stage of financing. The Company is also reviewing its options for financing its future capital programs in the context of the present financing environment, which may include sourcing additional debt facilities, equity markets or potentially joint ventures.

On August 28, 2009, AOSC entered into a series of agreements with PetroChina International Investment Company Limited (PetroChina International), a wholly owned subsidiary of PetroChina Company Limited (PetroChina), pursuant to which PetroChina will acquire a 60% working interest in AOSC's MacKay River and Dover oil sands projects for cash consideration of \$1.9 billion. The agreements also provide for certain financing arrangements for AOSC.

Commodity Price Risk

History has demonstrated that the price of hydrocarbon-based commodities fluctuates considerably in response to supply and demand economics at the regional, national and global level, combined with hedge fund speculation, all of which is outside the control of AOSC. The Company's future financial success is largely dependent on the equilibrium of bitumen supply and demand, resulting in prices that justify oil sands development, based on the expected project time horizon versus short-term fluctuations.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has variable interest rates on its cash and cash equivalents, short term investments and demand credit facility, resulting in exposure to fluctuations in interest rates. The interest rate on the Company's long-term debt is fixed.

Regulatory Approval

Before proceeding with most major development projects, AOSC must obtain regulatory approvals and maintain in good standing for the duration of the particular project. The regulatory approval process involves stakeholder consultation, environmental impact assessments and public hearings, among other factors. Failure to obtain regulatory approvals, or failure to obtain them on a timely basis, could result in delays, abandonment, or restructuring of projects and increased costs, all of which could negatively impact future earnings and cash flow. Failure to maintain approvals, licenses, permits and authorizations in good standing could result in the imposition of fines, production limitations or suspension orders.



Fiscal Environment

The Company's operations are subject to political and economic uncertainties. Specifically, governments may change royalties and taxes which could have a material adverse impact on the economics of the Company's oil sands activities.

Environmental

AOSC looks to both Alberta provincial authorities and to Canada's federal authorities for direction regarding environmental and climate change legislation.

All phases of the oil sands business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal and provincial laws and regulations. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. There has been much public debate with respect to Canada's alternative strategies with respect to climate change and the control of greenhouse gases. Implementation of strategies for reducing greenhouse gases could have a material impact on the nature of oil sands operations. Given the evolving nature of the issues related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict either the nature of those requirements or the impact on the Company and its operations and financial condition.

AOSC believes that government regulators realize the importance of oil sands projects to both Alberta and Canada and that a competitive economic environment will be maintained. However, AOSC cannot guarantee this assumption and there can be no assurance that currently enacted or potential future environmental legislation will not have an adverse affect on the Company's financial condition.

OUTLOOK

The Company maintained an invitation-only data room from April-June 2009 to seek interest by potential investors in a joint venture in either MacKay River or Dover or both. Interest was very strong and on August 28, 2009, AOSC entered into a series of agreements with PetroChina International Investment Company Limited (PetroChina International), a wholly owned subsidiary of PetroChina Company Limited (PetroChina), pursuant to which PetroChina will acquire a 60% working interest in AOSC's MacKay River and Dover oil sands projects for cash consideration of \$1.9 billion. The agreements also provide for certain financing arrangements for AOSC.

Commercial development planning is just starting but AOSC anticipates the areas identified have the potential for more than 500,000 barrels per day of production fully developed. AOSC's first commercial development is expected to be a 35,000 barrel-per-day project in the MacKay River area with submission of the regulatory application in 2009 and first steam in 2014.

QUARTERLY HISTORICAL REVIEW

(CDN\$ THOUSANDS, EXCEPT PER SHARE AMOUNTS)	2009		2008				2007	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	916	1,360	2,686	1,652	196	917	1,233	652
Net loss	(6,012)	(12,977)	(9,857)	(9,702)	(3,227)	(1,861)	(4,017)	(3,358)
Net loss per share (basic and diluted)	(0.03)	(0.07)	(0.05)	(0.05)	(0.02)	(0.01)	(0.03)	(0.02)
Weighted average common shares outstanding (basic and diluted)	195,479,100	194,479,139	188,428,237	181,130,434	178,076,415	177,424,459	155,001,907	153,503,852



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS (NOTE 1)

(Unaudited)

(CDN\$ THOUSANDS)	AT JUNE 30, 2009	AT DECEMBER 31, 2008
Assets		
Current assets		
Cash and cash equivalents (Note 4)	\$ 134,900	\$ 117,705
Short-term investments (Note 4)	49,559	146,138
Cash held in trust (Note 8)	-	26,000
Accounts receivable	3,043	4,395
Prepaid expenses and other	232	387
	187,734	294,625
Deferred charges	65	70
Property and equipment (Notes 5, 7 and 8)	555,334	473,681
	\$ 743,133	\$ 768,376
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 7,649	\$ 15,639
	7,649	15,639
Long-term debt (Note 8)	382,900	378,906
Asset retirement obligations (Note 9)	474	-
Future income tax liability	6,013	11,565
	397,036	406,110
Shareholders' equity		
Common shares (Note 12)	376,011	374,041
Warrants (Note 12)	-	1,495
Contributed surplus (Notes 12 and 13)	43,777	41,432
Accumulated deficit	(73,691)	(54,702)
	346,097	362,266
	\$ 743,133	\$ 768,376

Commitments (Notes 12 and 15)

See accompanying notes to the unaudited interim consolidated financial statements



CONSOLIDATED STATEMENTS OF LOSS, COMPREHENSIVE LOSS AND ACCUMULATED DEFICIT

(Unaudited)

(CDN\$ THOUSANDS)	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2009	2008	2009	2008
Revenue				
Interest and other income	\$ 916	\$ 196	\$ 2,276	\$ 1,113
Expenses				
General and administrative	2,395	1,684	4,738	2,842
Stock-based compensation (Note 13)	617	2,203	1,232	5,215
Financing and interest (Note 8)	6,060	-	20,593	36
Depreciation and accretion	73	39	133	69
Research and development expense (recovery)	39	(213)	492	20
	9,184	3,713	27,188	8,182
Net loss before income taxes	(8,268)	(3,517)	(24,912)	(7,069)
Future income tax recovery	(2,256)	(290)	(5,923)	(1,981)
Net loss and comprehensive loss	\$ (6,012)	\$ (3,227)	\$ (18,989)	\$ (5,088)
Accumulated deficit, beginning of period	(67,679)	(31,916)	(54,702)	(30,055)
Accumulated deficit, end of period	\$ (73,691)	\$ (35,143)	\$ (73,691)	\$ (35,143)
Net loss per share, basic and diluted (Note 14)	\$ (0.03)	\$ (0.02)	\$ (0.10)	\$ (0.03)

See accompanying notes to the unaudited interim consolidated financial statements



CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(CDN\$ THOUSANDS)	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2009	2008	2009	2008
Operating activities				
Net loss	\$ (6,012)	\$ (3,227)	\$ (18,989)	\$ (5,088)
Items not effecting cash				
Stock-based compensation (Note 13)	617	2,203	1,232	5,215
Future income tax recovery	(2,256)	(290)	(5,923)	(1,981)
Changes to long-term deferred charges	2	1	5	3
Deferred borrowing cost amortization (Note 8)	1,313	-	2,729	-
Depreciation and accretion	73	39	133	69
	(6,263)	(1,274)	(20,813)	(1,782)
Changes in non-cash working capital (Note 10)	(10,409)	885	1,941	(1,447)
	(16,672)	(389)	(18,872)	(3,229)
Financing activities				
Proceeds from share / warrant issuances	313	983	475	1,108
Share issuance costs	-	(9)	-	(44)
Short-term credit facility borrowings (repayments)	(1,723)	13,730	-	13,730
Decrease in cash held in trust	26,000	-	26,000	-
Changes in non-cash working capital (Note 10)	-	(20)	(18)	(228)
	24,590	14,684	26,457	14,566
Investing activities				
Additions to property and equipment	(11,158)	(14,308)	(78,563)	(110,055)
Increase in short-term investments	114,218	-	96,579	-
Changes in non-cash working capital (Note 10)	(35,087)	(51,247)	(8,406)	(8,532)
	67,973	(65,555)	9,610	(118,587)
Net increase (decrease) in cash and cash equivalents	75,891	(51,260)	17,195	(107,250)
Cash and cash equivalents, beginning of period	59,009	51,260	117,705	107,250
Cash and cash equivalents, end of period	\$ 134,900	\$ -	\$ 134,900	\$ -

See accompanying notes to the unaudited interim consolidated financial statements



NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

ATHABASCA OIL SANDS CORP.

At and for the three and six months ended June 30, 2009

(Tabular amounts in CDN\$ thousands, except as otherwise noted)

1. NATURE OF OPERATIONS

Athabasca Oil Sands Corp. ("AOSC" or the "Company") was incorporated on August 23, 2006 under the laws governing the Province of Alberta. AOSC is in business to explore for, develop and produce oil sands-related assets in the Athabasca oil sands region of northern Alberta. To date, AOSC has not earned significant revenues and is considered to be a development stage company.

Due to the long lead times and high costs associated with implementing the technology and creating the infrastructure necessary to bring identified resources to market, the success of AOSC is heavily dependent upon its ability to raise additional capital to fund further exploration to maintain its interests in existing oil sands properties and to identify and develop commercially productive resources.

These consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") assuming that AOSC will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. If the going concern assumption was not appropriate for these statements, adjustments would be required to the Company's overall financial presentation.

Effective May 29, 2009 AOSC conveyed the majority of its assets to seven wholly owned partnerships. AOSC is the Managing Partner of each of the partnerships. The consolidated financial statements reflect the activities of AOSC and its wholly owned subsidiaries and partnerships. Intercompany transactions and balances are eliminated upon consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS FOR PRESENTATION

The unaudited interim consolidated financial statements of the Company have been prepared in accordance with GAAP. These interim consolidated financial statements have been prepared using the same accounting policies and methods of computation as the financial statements for the year ended December 31, 2008 except as disclosed in note 3. These interim consolidated financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with the Company's audited consolidated annual financial statements and notes thereto for the year ended December 31, 2008.

3. ADOPTION OF NEW ACCOUNTING POLICIES

a) Asset Retirement Obligations ("ARO")

The estimated fair value of the statutory, contractual or legal liability associated with the retirement and reclamation of tangible long-lived assets is recorded when incurred, with a corresponding increase to the carrying amount of the related assets, when a reasonable estimate of the fair value can be made. The increase to capitalized costs is amortized to net income on a basis consistent with depletion, depreciation, and accretion ("DD&A") of the underlying assets. On a periodic basis, management will review these estimates and changes, if any, in the estimated fair value of the ARO are capitalized to property and equipment and amortized over the remaining useful life of the underlying asset. The ARO liabilities are carried on the consolidated balance sheets at their discounted present value and are accreted over time for the change in their present value, with this accretion charge included in DD&A. Actual expenditures incurred are charged against the accumulated obligation. Any difference between the recorded ARO and the actual retirement costs incurred is recorded as a gain or loss in the settlement period.



b) Future Accounting Pronouncements

In January 2009, the CICA issued a new accounting standard, section 1582 "Business Combinations", which prospectively establishes principles and requirements of the acquisition method for business combinations and related disclosures that will be effective for AOSC's 2011 reporting. These recommendations are effective for business combinations occurring after January 1, 2011, although early adoption is permitted.

In January 2009, the CICA issued a new accounting standard, section 1601 "Consolidated Financial Statements", which establishes standards for the preparation of consolidated financial statements that will be effective for AOSC's 2011 reporting. The adoption of these recommendations is not expected to have a material impact on AOSC.

In June 2009, the CICA revised section 3862 "Financial Instruments - Disclosures", to include a hierarchy concept in measuring financial instruments, a requirement to provide disclosure concerning the fair value measurements of assets and liabilities for each hierarchy level and amendments to the liquidity disclosure requirements. The recommendations are effective for AOSC's 2009 annual reporting. The adoption of these recommendations is not expected to have a material impact on AOSC.

On February 13, 2008, the Canadian Accounting Standards Board ("AcSB") confirmed the use of International Financial Reporting Standards ("IFRS") for publicly accountable profit-oriented enterprises, beginning on January 1, 2011 with appropriate comparative data from the prior year. IFRS will replace the current CICA Handbook as Canadian GAAP for these entities. Under IFRS significantly increased disclosure is required, especially for interim reporting. While IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policies which must be addressed. AOSC is evaluating the impact the adoption of IFRS will have on the Company's consolidated financial statements. The Company has appointed internal staff to lead the conversion project along with sponsorship from the senior management team. In addition, an external advisor was retained to assist the Company in scoping its conversion project and performed a diagnostic analysis that identified high level differences between GAAP and IFRS as it relates to the Company's current accounting policies. AOSC is performing a detailed analysis that identifies differences between the Company's current accounting policies and IFRS in order to make appropriate accounting policy choices under IFRS.

4. CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

AT JUNE 30, 2009	TERM IN DAYS	INTEREST RATE IN PERCENT	AMOUNT
Cash			\$ 121,909
Cash equivalents	88	0.28	12,991
			\$ 134,900
Short-term investments	91-181	0.28-0.45	49,559
Total			\$ 184,459

The interest rate on amounts invested in AOSC cash accounts is the bank prime rate minus 2%.



5. PROPERTY & EQUIPMENT

	COST		ACCUMULATED DD&A	NET BOOK VALUE
June 30, 2009				
Oil Sands Assets				
Mineral properties	\$	322,501	\$ -	\$ 322,501
Exploration and evaluation		210,094	-	210,094
Engineering and development		21,599	-	21,599
		554,194	-	554,194
Corporate assets		1,483	(343)	1,140
Total	\$	555,677	\$ (343)	\$ 555,334
December 31, 2008				
Oil Sands Assets				
Mineral properties	\$	316,718	\$ -	\$ 316,718
Exploration and evaluation		140,068	-	140,068
Engineering and development		15,900	-	15,900
		472,686	-	472,686
Corporate assets		1,219	(224)	995
Total	\$	473,905	\$ (224)	\$ 473,681

The cost of the oil sands assets is not being depleted or depreciated as the properties have not been fully developed and there is no commercial production associated with these assets. All other corporate assets are currently being depreciated.

For the three and six months ended June 30, 2009, the Company capitalized \$5.2 million and \$9.4 million (2008 - \$0.1 million and \$0.1 million) of borrowing costs directly attributed to exploration and development activity.

For the three and six months ended June 30, 2009, the Company capitalized \$0.7 million and \$1.6 million (2008 - \$0.5 million and \$1.1 million) of employee salaries directly attributed to exploration and development activity.

For the three and six months ended June 30, 2009, the Company capitalized \$0.7 million and \$1.5 million (2008 - \$1.8 million and \$3.3 million) of stock-based compensation, including the future income tax effect, directly attributed to exploration and development activity.

6. ACCOUNTS PAYABLE & ACCRUED LIABILITIES

	JUNE 30, 2009		DECEMBER 31, 2008	
Trade payables	\$	1,344	\$	4,856
Accrued trade payables		6,163		10,638
Other payables		142		145
Total	\$	7,649	\$	15,639



7. SHORT-TERM CREDIT FACILITY

AOSC has a \$25.0 million revolving demand credit facility with a Canadian Chartered Bank. Until June 2009, the effective interest rate on amounts borrowed under the facility was the bank prime rate. Following an amendment, the effective interest rate on amounts borrowed under the facility is the bank prime rate plus 1.5%. In addition, a 0.75% availability fee applies on undrawn amounts. The credit facility is collateralized by a fixed and floating charge debenture in the principal amount of \$100 million and a general assignment of debt over oil sands leases.

8. LONG-TERM DEBT

On July 30, 2008, the Company issued \$400.0 million of senior secured debentures with a term of three years, maturing July 30, 2011. The debentures bear an interest rate of 13% paid semi-annually in arrears on December 31 and June 30. The debentures also include early redemption and change of control features, which would result in payout between 105% and 110% of face value. The debentures are collateralized by a fixed and floating demand debenture and a general assignment of debt over oil sands leases.

	JUNE 30, 2009	DECEMBER 31, 2008
Debentures - face value	\$ 400,000	\$ 400,000
Deferred borrowing costs	(24,391)	(24,391)
Amortization of deferred borrowing costs	7,291	3,297
Total	\$ 382,900	\$ 378,906

In accordance with the Trust Indenture dated July 30, 2008, the Company set aside the first two interest payments related to the debentures which were held in trust. These interest payments were made December 31, 2008 and June 30, 2009. No additional payments are required to be set aside.

For the three and six months ended June 30, 2009, \$2.0 million and \$4.0 million of deferred borrowing costs was amortized to the balance of the senior secured debentures.

9. ASSET RETIREMENT OBLIGATIONS

The total future asset retirement obligations were estimated by management based on the Company's net ownership interest in all wells, estimated costs to reclaim and abandon the wells, and the estimated timing of the costs to be incurred in future periods. The Company has calculated the net present value of its asset retirement obligations using an inflation rate of 2% and discounted using a credit-adjusted risk free rate of 14% per annum. The payments to settle these obligations are expected to occur over a period of up to 5 years and are expected to be funded from general resources of the Company at their respective settlement dates. The total undiscounted amount of estimated cash flows required to settle the obligations at June 30, 2009 is \$0.8 million (2008 - \$nil).

The following table reconciles the change in asset retirement obligations:

	JUNE 30, 2009
ARO liability at January 1	\$ -
Liabilities incurred	459
Accretion expense	15
Total liability at end of period	\$ 474



10. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in Non-cash Working Capital

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2009	2008	2009	2008
Accounts receivable	\$ 4,087	\$ 2,369	\$ 1,352	\$ (6,400)
Prepaid expenses and other	-	(87)	155	165
Accounts payable	(49,583)	(52,664)	(7,990)	(3,972)
	\$ (45,496)	\$ (50,382)	\$ (6,483)	\$ (10,207)
Related to:				
Operating activities	(10,409)	885	1,941	(1,447)
Financing activities	-	(20)	(18)	(228)
Investing activities	(35,087)	(51,247)	(8,406)	(8,532)
Net change in non-cash working capital	\$ (45,496)	\$ (50,382)	\$ (6,483)	\$ (10,207)

11. FINANCIAL INSTRUMENTS

AOSC's financial instruments at June 30, 2009 include cash and cash equivalents, short-term investments, accounts receivable, accounts payable and accrued liabilities, and long-term debt.

The Company is exposed to financial risks arising from its financial instruments. The financial risks include credit risk, liquidity risk, and market risk related to interest rates.

Fair Value

The carrying values of AOSC's financial instruments approximate their fair value, with the exception of the senior secured debentures.

Because no observable market exists, the fair value for the senior secured debentures is estimated based on discounted cash flow analysis using an estimated discount rate, with consideration for changes in economic and market conditions since issuance. Changes in the discount rate will impact the fair value of the senior secured debentures. A 1% change in the discount rate will impact the fair value of the senior secured debentures by approximately \$7.2 million. At June 30, 2009 the fair value of the senior secured debentures was estimated at \$392.7 million (present value using an estimated discount rate of 14%).

Credit Risk

The maximum exposure to credit risk is represented by the carrying amount of cash and cash equivalents, short-term investments, and accounts receivable on the balance sheet.

At June 30, 2009, 17% of the Company's consolidated accounts receivable are due from one counterparty, compared to 27% at December 31, 2008. This counterparty is considered to have high credit worthiness. Accounts receivable outstanding from this counterparty was collected subsequent to June 30, 2009.



Liquidity Risk

AOSG's objective in managing liquidity risk is to maintain sufficient available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by managing its capital spending and maintaining sufficient funds in its credit facility. In an effort to mitigate these risks, the Company intends to closely monitor the balance sheet and adjust its forecasted spending accordingly.

The Company's outstanding financial liabilities mature within one year, with the exception of the Company's senior secured debentures, which mature July 30, 2011.

Interest Rate Risk

For the six months ended June 30, 2009, the Company's exposure to interest charged on the average outstanding credit facility balance, from a 1% change in interest rates, would have an insignificant impact on the consolidated financial statements. The Company's exposure to interest rate fluctuations on interest earned on the average cash and cash equivalents and short-term investment balances, from a 1% change in interest rates, would be approximately \$2.4 million.

12. SHARE CAPITAL

a) Authorized

Authorized share capital of AOSG consists of an unlimited number of common shares.

b) Issued and Outstanding Common Shares

The following table summarizes changes to the Company's common share capital:

	NUMBER OF COMMON SHARES	AMOUNT
Balance at December 31, 2007	177,372,811	\$ 383,872
Purchase warrants exercised (c)	6,156,850	7,696
Performance warrants exercised (e)	9,000,000	90
Share issue costs (net of tax benefit)	-	(52)
Tax effect of flow-through shares	-	(17,565)
Balance at December 31, 2008	192,529,661	374,041
Liquidity rights/warrants converted to common shares (d)	3,736,433	1,495
Purchase warrants exercised (c)	380,000	475
Balance at June 30, 2009	196,646,094	\$ 376,011

During the year ended December 31, 2008 the Company renounced \$70.3 million of qualifying exploration expenditures to flow-through common share subscribers under the look back rule, for flow-through financing proceeds from 2007. The effective date of the renouncement was December 31, 2007 based on actual core hole drilling program expenditures incurred in the first three months of 2008. The future tax effect of this renouncement at a future estimated tax rate of 25% is \$17.6 million and has been recorded as a reduction to share capital.



c) Outstanding Purchase Warrants

The Company reserved 112.0 million common shares for issuance upon exercise of certain issued and outstanding purchase warrants, each whole purchase warrant exercisable at a price of \$1.25 per share on or before five years from the date of issuance. The following table summarizes changes to the Company's purchase warrants:

	NUMBER OF PURCHASE WARRANTS OUTSTANDING
Balance at December 31, 2007	110,438,100
Exercised	(6,156,850)
Balance at December 31, 2008	104,281,250
Exercised	(380,000)
Balance at June 30, 2009	103,901,250

No value was assigned to these warrants at the time of issuance.

d) Outstanding Liquidity Rights/Warrants

The Company reserved 3.7 million common shares to be issued provided the Company did not meet the liquidity event requirements by February 16, 2009 as outlined in the August 2007 and December 2007 share subscriptions. These common shares represent approximately 0.10 shares per right/warrant issued under the 2007 financings.

Each flow-through share subscribed during the August 2007 or December 2007 offerings had a liquidity warrant attached, which provided the security holder with a right to approximately 0.10 additional common shares per warrant subscribed if the Company did not satisfy a liquidating event by February 16, 2009. Each common share subscribed during the August 2007 offering had a similar right to approximately 0.10 additional common shares for each share subscribed if the liquidating event did not take place before February 16, 2009.

A liquidity event, as it relates to the securities described above, meant:

- I. an initial public offering whereby the common shares of the Company are listed and posted for trading on a recognized Canadian or U.S. stock exchange, or
- II. the completion of any transaction as a result of which all or substantially all of the outstanding common shares are exchanged for the securities of another issuer, and such securities will be listed on a recognized exchange.

The Company did not meet the liquidity event requirements under the share subscription agreements and issued 3.7 million common shares upon automatic conversion of the outstanding liquidity rights/warrants.

The following table summarizes changes to the Company's liquidity rights/warrants:

	NUMBER OF COMMON SHARES IF CONVERTED	ASSIGNED VALUE
Liquidity rights issued with 29,581,000 common shares	2,958,093	\$ 1,183
Liquidity warrants issued with 5,051,000 flow-through shares	505,095	202
Liquidity warrants issued with 2,732,450 flow-through shares	273,245	110
Balance at December 31, 2008 and 2007	3,736,433	1,495
Liquidity rights/warrants converted to common shares	(3,736,433)	(1,495)
Balance at June 30, 2009	-	\$ -



e) Outstanding Performance Warrants

Two series of performance warrants were initially issued totaling 19.0 million warrants. 9.5 million Series I performance warrants and 9.5 million Series II performance warrants were issued, which are exercisable for a period of nine years from the date of issuance and only if the net asset value per fully diluted common share is equal to or greater than \$1.50 and \$2.50 per share (for the Series I and II performance warrants respectively), and certain liquidity thresholds have been achieved. The exercise price is \$0.01 per performance warrant.

During 2007 all performance criteria associated with these performance warrants were achieved.

The following table summarizes changes to the aggregate Series I and Series II performance warrants of the Company:

	NUMBER OF PERFORMANCE WARRANTS OUTSTANDING	PROCEEDS WHEN EXERCISED
Balance at December 31, 2007	19,000,000	\$ 190
Exercised	(9,000,000)	(90)
Balance at December 31, 2008 and June 30, 2009	10,000,000	\$ 100

f) Contributed Surplus

The following table summarizes changes to the Company's contributed surplus:

	AMOUNT
Balance at December 31, 2007	\$ 28,758
Capitalized stock-based compensation	5,538
Expensed stock-based compensation	7,136
Balance at December 31, 2008	41,432
Capitalized stock-based compensation	1,113
Expensed stock-based compensation	1,232
Balance at June 30, 2009	\$ 43,777

13. STOCK-BASED COMPENSATION PLANS

The Company's stock-based compensation plans for employees, directors, and consultants consist of Founders' common share options to acquire Founders' common shares, performance warrants to acquire common shares, purchase warrants to acquire common shares, stock options and an incentive bonus plan payable to certain specified holders of stock options in the event of a specified change of control or initial public offering.



a) Founders' Common Shares, Performance Warrants, and Purchase Warrants

The Company issued 20.0 million Founders' common shares during 2006 at a price of \$0.001 per share of which 17.1 million were available for allocation to employees, directors, and consultants. The Founders' common shares distributed as part of the Company's stock-based compensation are drawn from the original Founders' common shares issued to Avenir Capital Corporation.

	JUNE 30, 2009	DECEMBER 31, 2008
	NUMBER OF COMMON SHARES	NUMBER OF COMMON SHARES
Available for grant at January 1	457,500	1,320,000
Granted	(53,000)	(862,500)
Available for grant at end of period	404,500	457,500
Held in trust subject to vesting criteria at January 1	5,745,418	6,698,332
Granted	53,000	862,500
Vested	(320,334)	(1,815,414)
Balance held in trust at end of period	5,478,084	5,745,418

The estimated fair value per Founders' common share granted during the six months ended June 30, 2009 was \$7.62.

At December 31, 2008 and June 30, 2009 there were 5.0 million Series 1 and 5.0 million Series 2 performance warrants issued to directors and officers of the Company which are fully vested and remain outstanding and exercisable.

At December 31, 2008 and June 30, 2009 there were 10.0 million purchase warrants issued to directors and officers of the Company which are fully vested and remain outstanding and exercisable.

See note 12 for descriptions of these securities.

b) Stock Options

The Company has a Stock Option Plan, approved in 2006 which allows options to be granted to employees, directors and consultants. The specific terms are determined by the Board of Directors when each specific tranche of options is approved. All options issued by the Company permit the holder to purchase one common share of the Company at the stated exercise price or to receive a cash payment equal to the appreciated value of the stock option at the sole discretion of the Company.

The stock option plan is a rolling plan and currently limits the number of common shares that may be issued on exercise of options awarded under the plan to an aggregate of 10% of the common shares outstanding from time to time.

In 2007, the Company reserved the first tranche of 2,000,000 common shares in connection with this plan for use in attracting and rewarding employees. Stock options expire after 10 years from the date of grant.

During the second quarter of 2009, the Board of Directors authorized an additional 1.5 million stock options under the Company's 2006 stock option plan which can be granted to employees, directors and consultants.



	JUNE 30, 2009		DECEMBER 31, 2008	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at January 1	1,657,000	\$ 8.09	470,000	\$ 7.35
Granted	152,000	7.17	1,187,000	8.30
Outstanding at end of period	1,809,000	7.96	1,657,000	8.09
Exercisable at end of period	404,002	\$ 8.11	355,670	\$ 8.12

The estimated fair value per stock option granted during the six months ended June 30, 2009 was \$1.08.

The exercise prices of the Company's outstanding stock options are as follows:

EXERCISE PRICE	OPTIONS OUTSTANDING		OPTIONS EXERCISABLE
	NUMBER OF OPTIONS	WEIGHTED AVERAGE YEARS TO EXPIRY	NUMBER OF OPTIONS
\$ 5.00 - \$8.30	1,809,000	8.85	404,002
Balance at June 30, 2009	1,809,000	8.85	404,002

Stock-based Compensation

The Company uses the Black-Scholes pricing model to calculate the fair value for grants under its Founders' common share, performance warrant, purchase warrant, and stock option plans.

The estimated fair value of the Founders' common shares and stock options granted in 2009 were calculated using the following assumptions:

	2009 STOCK-BASED COMPENSATION GRANTS
Share price (\$)	5.00 - 8.26
Risk-free interest rate (%)	2.29 - 2.91
Life of Founders' common share grants (years)	6.3 - 6.7
Life of stock option grants (years)	10
Dividend rate (%)	0
Volatility (%)	N/A

As a private company, no observable market exists for AOSC shares. The share price used in fair value calculations is estimated based on prior private equity issuances or grey market trading information. The Company has not incorporated an expected volatility into its fair value calculation because AOSC is a private company.

For the three and six months ended June 30, 2009 the Company expensed \$0.6 million and \$1.2 million (2008 - \$2.2 million and \$5.2 million), and capitalized \$0.5 million and \$1.1 million (2008 - \$1.4 million and \$2.5 million) of stock based compensation. See note 12(f).



Incentive Bonus Plan

A cash incentive bonus plan was approved by the Board in 2008. The plan provides for a cash payment of \$4.50 per outstanding option to specified holders of stock options upon exercise, subject to being preceded by a specified change of control or an initial public offering. At June 30, 2009, the potential liability associated with these incentive rights is \$6.9 million. The likelihood of a specified change in control or initial public offering is not determinable and no amount is recorded in the consolidated financial statements related to the potential liability.

14. PER SHARE COMPUTATIONS

The weighted average number of common shares outstanding for the three and six months ended June 30, 2009 was 196,468,072 and 195,479,100 (2008 - 178,076,415 and 177,880,163). Per share amounts are calculated without the inclusion of dilutive securities during periods in which there is a loss. At June 30, 2009 there were 115,710,250 outstanding potentially dilutive securities available for future periods.

15. COMMITMENTS

Estimated Future Minimum Commitments

\$	2009	2010	2011	2012	2013	THEREAFTER	TOTAL
Long-term debt repayment	-	-	400,000	-	-	-	400,000
Interest payments on long term-debt	26,000	52,000	29,918	-	-	-	107,918
Office leases	1,192	2,384	2,384	2,384	1,071	1,400	10,815
Other	110	200	200	200	200	-	910
Total commitments	27,302	54,584	432,502	2,584	1,271	1,400	519,643

16. RELATED PARTY TRANSACTIONS

During prior periods, the Company has reimbursed Avenir Capital Corporation for certain expenses incurred related to employee business travel and financing costs. Avenir Capital Corporation is the Company's founding shareholder and trustee of the Company's employee stock-based compensation plan. For the three and six months ended June 30, 2009 expenses of \$0.1 million and \$0.2 million (2008 - \$0.1 million and \$0.1 million) were all recorded at the exchange amount.

17. SUBSEQUENT TRANSACTIONS

On August 28, 2009, AOSC entered into a series of agreements with PetroChina International Investment Company Limited (PetroChina International), a wholly owned subsidiary of PetroChina Company Limited (PetroChina), pursuant to which PetroChina will acquire a 60% working interest in AOSC's MacKay River and Dover oil sands projects for cash consideration of \$1.9 billion. The agreements also provide for certain financing arrangements for AOSC.

The total impact of this transaction on the Company's consolidated financial statements has not yet been determined.

CORPORATE INFORMATION

MANAGEMENT

Sveinung Svarte, MBA, MSc.
President & CEO

Rob Harding, CMA, MBA
Vice President, Finance & CFO

Ian Atkinson, MSc, P.Eng.
Vice President, Geoscience, Technology & Reservoir

Don Verdonck, P.Eng.
Vice President, Development & Operations

Bob Bruce
Vice President, Corporate Development

Anne Schenkenberger, LLB
Corporate Secretary

DIRECTORS

William Gallacher, P.Eng. ^{(2), (3), (4)}
Chairman

Gary H. Dundas, CMA, MBA ^{(1), (4)}

Thomas W. Buchanan, C.A. ^{(1), (4)}

J.G. (Jeff) Lawson, LLB ^{(1), (2), (3)}

Sveinung Svarte, MBA, MSc. ^{(2), (3)}
President & CEO

Member of:

- ⁽¹⁾ Audit Committee
- ⁽²⁾ Reserves Committee
- ⁽³⁾ Health, Safety & Environmental Committee
- ⁽⁴⁾ Compensation Committee

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Ernst & Young LLP

LEGAL COUNSEL

Burnet, Duckworth & Palmer LLP

INDEPENDENT EVALUATORS

GLJ Petroleum Consultants

DeGolyer and MacNaughton Canada Limited



ATHABASCA

OIL SANDS CORP.