

**FOR IMMEDIATE RELEASE
MONDAY, DECEMBER 30, 2002**

Albian Sands Energy Inc. announces production start-up at Muskeg River Mine

Fort McMurray, Alberta - The Athabasca Oil Sands Project (AOSP) achieved a major milestone on December 29, 2002 with start-up and first bitumen production at Albian Sand's Muskeg River Mine, located about 75 kilometres north of Fort McMurray, Alberta. Shipment of diluted bitumen into the Corridor Pipeline is expected to commence over the next few days for delivery to the Scotford Upgrader, located near Fort Saskatchewan, Alberta.

Albian Sands is part of the Athabasca Oil Sands Project, a joint venture of Shell Canada Limited (60 per cent), Chevron Canada Limited (20 per cent) and Western Oil Sands L.P. (20 per cent), which has been one of the world's largest construction projects in recent years. When the project ramps up to its full production of 155,000 barrels of bitumen per day in 2003, it will supply the equivalent of 10 per cent of Canada's oil needs.

Steve Reynish, Albian Sand's President and COO, said, "This is a major milestone for us and the result of years of work by thousands of dedicated employees and contractors. We look forward to achieving full production in 2003."

- 30 -

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This information includes "forward looking statements" based upon current expectations, estimates and projections of future production, project start-ups and future capital spending, that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Corporation. These risks and uncertainties include, but are not limited to, changes in; market conditions, law or government policy, operating conditions and costs, project schedules, operating performance, demand for oil, gas and related products, price and exchange rate fluctuations, commercial negotiations or other technical and economic factors.

Notes to the Editor:

The Athabasca Oil Sands Project:

- is the first new fully integrated oil sands project in 25 years.
- will ramp up to 155,000 barrels of bitumen per day in 2003.
- will be capable of supplying 10 per cent of Canada's oil needs.
- was one of the largest employers of trades and construction workers in Canada, with more than 14,000 workers at the peak of construction in early 2002.
- has created more than 850 permanent operating jobs.
- has set an industry safety record in Alberta and a new standard for safety in Canada.
- has targets to reduce, by 2010, its greenhouse gas emissions by 50 per cent, making emissions six per cent less than those associated with imported oil, which it will displace.