



NEWS RELEASE

For Immediate Release: April 19, 2004

TSE Trading Symbol: UTS

**UTS ANNOUNCES AGREEMENT TO ACQUIRE TRUENORTH'S INTEREST
IN FORT HILLS OIL SANDS PROJECT**

Calgary, Alberta, Canada – UTS Energy Corporation (“UTS Energy” or “the Corporation”) is pleased to announce that it has entered into an agreement to acquire TrueNorth Energy L.P. and TrueNorth Energy Corp. (“TrueNorth”), both affiliates of Flint Hills Resources LLC (“Flint Hills”), 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 will result in UTS Energy owning 100% of the Fort Hills oil sands project (“Fort Hills” or “the Project”). UTS Energy currently owns a 22% interest in the Project.

The acquisition is conditional on the availability of financing on or before July 5, 2004. The Corporation expects to finance the acquisition with a public equity offering. In addition, UTS Energy will continue to proceed with its previously announced private placement of up to 75 million Special Warrants with a syndicate of agents, led by RBC Capital Markets, and including Raymond James Ltd., Canaccord Capital Corporation and Sprott Securities Inc.

“During the past number of months, the management of UTS Energy Corporation has been actively seeking a resolution to the indefinite deferral of the Fort Hills oil sands project,” said Dennis A. Sharp, Chairman and Chief Executive Officer of UTS Energy. “Our intent to acquire TrueNorth’s interest is in keeping with our stated objective of being the catalyst for development of Fort Hills, utilizing innovative concepts for evolving Canada’s oil sands in the next generation of projects. UTS Energy is acquiring control of the Project and will have the flexibility to pursue an alternate plan of development and the ability to explore potential partnership arrangements that are in the best interest of the Project and the Corporation”.

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 4.9 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, approximately \$178 million has been invested in the Project by UTS Energy and TrueNorth.

Fort Hills received regulatory approval from the Alberta Energy and Utilities Board (“AEUB”) in October 2002 to produce up to 235,000 barrels of bitumen per day. In order to optimize the plan of development, the Fort Hills Project is in the initial process of being re-scoped to reflect a staged development with a proposed initial phase of production totalling 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 will be upgraded in Alberta utilizing a delayed coker/hydrotreater

configuration. Several innovative upgrading technologies are currently being developed within the industry and these advances will continue to be monitored closely as a potential means of further enhancing project economics. In support of its plan for the Project, UTS Energy has made a formal proposal to the Alberta Department of Energy to revise and extend the current milestones for development of the Fort Hills oil sands leases. Discussions in this regard with the Alberta Department of Energy are progressing satisfactorily.

Completion of the acquisition financing will be subject to an amendment to the current milestones.

UTS Energy is a single-purpose corporation with its only asset being its investment in Fort Hills. The Corporation is based in Calgary and its common shares are listed on The Toronto Stock Exchange, where they trade under the symbol UTS. For further information, please contact Dennis A. Sharp, Chairman and Chief Executive Officer or C. W. Leigh Cassidy, Vice President, Chief Financial Officer, at 403-531-7599.