

CALGARY, ALBERTA and HONG KONG, CHINA--(Marketwired - Aug 28, 2017) - The Board of Directors of [Sunshine Oilsands Ltd.](#) (the "Corporation" or "Sunshine") (HKSE:2012) wishes to clarify and supplement the announcement dated August 24, 2017 (Hong Kong time) in relation to the lapse of Subscription Agreement:

Reference is made to the announcement of the Corporation dated August 24, 2017 (Hong Kong time) (the "Announcement"), in relation to, among other matters, the proposed issue of new Shares under the Specific Mandate, the connected transaction involving Subscription for new Shares by the Connected Subscriber and the lapse of the Subscription Agreement. Unless the context requires otherwise, terms use herein shall have the same meanings as those defined in the Announcement.

The Board wishes to supplement and clarify that in the closing section of the Subscription Agreement, it provided that "in the event the Corporation suffers a material adverse change in the management, business, properties, financial condition, prospects, shareholders' equity or results of operation of the Corporation shall have occurred or been announced since the date of the Subscription Agreement; or any adverse change in the oil price and/or general market condition and/or the share price of the Corporation takes place after the date of the Subscription Agreement, the Subscription Agreement may be terminated by the Subscriber by written notice, and in which case, the obligations of the Corporation and the Subscriber under this Subscription Agreement shall immediately cease and unconditionally cease and be null and void."

The Subscriber believes that material uncertainties exists around the operations of the Corporation: a) no solid results can be ascertained for the further forbearance of the USD200m Senior Notes ("further forbearance") as at the long stop date; b) oil price and general market conditions where oil price continues to be at an unfavorably low level; and c) financial conditions of the Corporation continues to be weak. In the latest 2017 second quarter results, a significant net loss of CDN\$19m was posted. Hence the Subscriber decided not to continue with the Subscription.

In order to eliminate the above uncertainties and facilitate the completion of the Subscription, the Corporation has exercised its best effort to accelerate the discussion in relation to the further forbearance. However, as at the Closing Date, the discussion was yet to be continued. The Corporation therefore agreed to terminate the Subscription as the non-fulfilment of the Subscription caused by uncertainties around the Corporation's operational, financial and industry conditions.

The Subscriber, knowing that the Corporation is in need of funds, provided a loan of HK\$14,058,885 to the Corporation based on arm's length terms (details of which has been published in a separate announcement issued by the Corporation dated August 24, 2017(Hong Kong time)) instead. The audit committee of the Corporation considered that the termination of the Subscription and the effort that the Corporation has exercised in facilitating the completion is appropriate, sufficient and in the interest of the Corporation and its Shareholders. It considered that the termination is in accordance with the commercial terms in the Subscription Agreement. Observance of the commercial terms essentially keeps the Corporation in good faith. Furthermore, the Subscriber continues to show his support in terms of financial assistance to the Corporation.

In view of the need of funds for operational and ongoing production ramp-up of the West Ells Phase 1 project, the Corporation assessed that the lapse of the Subscription Agreement will not have any material adverse impacts on the Corporation because:

1. the Subscriber has provided financial assistance (loan of HK\$14,058,885) to the Corporation to support the immediate funding needs. The Corporation is exploring the possibility of securing further financial assistance from the Subscriber.
2. Based on the original plan of the use of proceeds from the Subscription, the Subscription monies would be sufficient for the Corporation's needs in the next 6 months. The Corporation will continue to look for financing to fulfill the needs in the upcoming 6 months.
3. the Corporation is seeking alternative sources of fund, which would include but not limited to equity placements, issuance of debt, etc. The Corporation will provide updates and disclosures in accordance with the Listing Rules as and when necessary.

ABOUT SUNSHINE OILSANDS LTD.

The Corporation is a Calgary based public corporation listed on the Hong Kong Stock Exchange since March 1, 2012. The Corporation is focused on the development of its significant holdings of oil sands leases in the Athabasca oil sands region. The Corporation owns interests in approximately one million acres of oil sands and petroleum and natural gas leases in the Athabasca region. The Corporation is currently focused on executing milestone undertakings in the West Ells project area. West Ells has an initial production target of 5,000 barrels per day.

FORWARD LOOKING INFORMATION

This announcement contains forward-looking information relating to, among other things, the plans and expectations of the Corporation. Such forward-looking information is subject to various risks, uncertainties and other factors. All statements other than statements and information of historical fact are forward-looking statements. The use of words such as "estimate", "forecast", "expect", "project", "plan", "target", "vision", "goal", "outlook", "may", "will", "should", "believe", "intend", "anticipate", "potential", and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based

on the Corporation's experience, current beliefs, assumptions, information and perception of historical trends available to the Corporation, and are subject to a variety of risks and uncertainties including, but not limited to those associated with resource definition and expected reserves and contingent and prospective resources estimates, unanticipated costs and expenses, regulatory approval, fluctuating oil and gas prices, expected future production, the ability to access sufficient capital to finance future development and credit risks, changes in Alberta's regulatory framework, including changes to regulatory approval process and land-use designations, royalty, tax, environmental, greenhouse gas, carbon and other laws or regulations and the impact thereof and the costs associated with compliance. Although the Corporation believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the assumptions and factors discussed in this announcement are not exhaustive and readers are not to place undue reliance on forward-looking statements as the Corporation's actual results may differ materially from those expressed or implied. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements as a result of new information, future events or otherwise, subsequent to the date of this announcement, except as required under applicable securities legislation. The forward-looking statements speak only as of the date of this announcement and are expressly qualified by these cautionary statements. Readers are cautioned that the foregoing lists are not exhaustive and are made as at the date hereof. For a full discussion of the Corporation's material risk factors, see the Corporation's annual information form for the year ended December 31, 2016 and risk factors described in other documents we file from time to time with securities regulatory authorities, all of which are available on the Hong Kong Stock Exchange at www.hkexnews.hk, on the SEDAR website at www.sedar.com or on the Corporation's website at www.sunshineoilsands.com.

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This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of [Sunshine Oilsands Ltd.](#)

(a corporation incorporated under the Business Corporations Act of the Province of Alberta, Canada with limited liability)

By Order of the Board of [Sunshine Oilsands Ltd.](#)

Sun Kwok Ping, *Executive Chairman*

As at the date of this announcement, the Board consists of Mr. Kwok Ping Sun, Mr. Hong Luo, Mr. Qiping Men and Ms. Gloria Pui Yun Ho as executive directors; Mr. Michael John Hibberd, Ms. Linna Liu and Ms. Xijuan Jiang as non-executive directors; and Mr. Raymond Shengti Fong, Mr. Jeff Jingfeng Liu, Ms. Joanne Yan and Mr. Yi He as independent non-executive directors.

**For identification purposes only*

Contact

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