Sunshine Oilsands Ltd.
陽光油砂有限公司*

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

(Stock Code: 2012) (TSX Symbol: SUO)

Sunshine Oilsands Ltd. Announces Memorandum of Understanding with China Oilfield Services Ltd. in respect of an intention to cooperate regarding Oilsands Exploration Technology

Please see the attached announcement for more details.

By Order of the Board.

Michael John Hibberd
Co-Chairman
and
Songning Shen
Co-Chairman

Hong Kong, January 17, 2013

As at the date of this announcement, the Board consists of Mr. Michael John Hibberd and Mr. Songning Shen as executive directors, Mr. Hok Ming Tseung, Mr. Tingan Liu, Mr. Haotian Li and Mr. Gregory George Turnbull as non-executive directors and Mr. Raymond Shengti Fong, Mr. Wazir Chand Seth, Mr. Robert John Herdman and Mr. Gerald Franklin Stevenson as independent non-executive directors.

** For identification purposes only*

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Sunshine Oilsands Ltd. (the "**Company**") announced today that the Company signed a "Memorandum of Understanding" ("**MOU**") on 11 January 2013 (Calgary time) with China Oilfield Services Ltd. ("**COSL**") to amicably negotiate and communicate with each other in respect of cooperation in developing multiple thermal fluid oilsands exploration technology in Canada and, if accpetable, sign a cooperation agreement under which COSL will conduct thermal fluid tests within the oilsands areas of the Company in order to confirm the feasibility of multiple thermal fluid techniques and other relevant technologies with respect of oilsands exploration. The technology which was developed and patented by COSL has the potential to reduce the facility foot print and operation cost for generating steam and other thermal fluids to inject into reservoirs.

Mr. Songning Shen, Co-Chairman, said "this technology has been proven successful in an CNOOC limited offshore project, and Sunshine Oilsands' research of the "multi-component thermal fluid thermal recovery technology" gives a possible indication that it could work economically in bitumen reservoirs".

The MOU is not legally binding except for those provisions in respect of exclusivity, confidentiality and dispute resolution. The MOU is in effect for one year and can be automatically extended for another year unless terminated. The MOU may or may not lead to the entering into of a cooperation agreement and the technology may or may not result in any benefit to the Company's operations.

– End –

ABOUT SUNSHINE OILSANDS LTD.

Sunshine Oilsands Ltd. is one of the largest non-partnered developers of oil sands leases by area in the Athabasca oil sands region, which is located in the province of Alberta, Canada. Sunshine has secured over 464,897 hectares (1,148,785 acres) of oil sands leases (equal to approximately 7% of all granted leases in this area). Its principal operating regions in the Athabasca area are at West Ells, Thickwood, Legend Lake, Harper, Muskwa, Goffer, Pelican and Portage. Sunshine's properties are grouped into three main asset categories: clastics, carbonates and conventional heavy oil.

The Company is constructing its first 10,000 barrel per day project at West Ells, with first production expected in late 2013, and expects near term regulatory approval of initial projects at Thickwood and Legend. Additional, substantially larger projects are under development to contribute to Sunshine's estimated ultimate potential of approximately 1,000,000 barrels per day.

For further enquiries, please contact:

Sunshine Oilsands Ltd.

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FORWARD-LOOKING INFORMATION AND DISCLAIMER

This News Release may contain forward-looking information that 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 any words "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 Sunshine's experience, current beliefs, assumptions, information and perception of historical trends available to Sunshine, 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 Company 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 information release are not exhaustive and readers are not to place undue reliance on forward-looking statements as our actual results may differ materially from those expressed or implied. Sunshine 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 News Release, except as required under applicable securities legislation. The forward-looking statements speak only as of the date of this News Release 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 our material risk factors, see "Risk Factors" in our most recent Annual Information Form dated April 30, 2012 ("**AIF**"), "Risk Management" in our current MD&A 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 our website at www.sunshineoilsands.com.