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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)*

(HKEX: 2012; TSX: SUO)

DISCLOSEABLE TRANSACTION

SUNSHINE ANNOUNCES DEFINITIVE JOINT OPERATING AGREEMENT FOR MUSKWA AND GODIN AREAS

As one of the relevant applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the consideration given by Sunshine to enter into the JOA exceeds 5% but all the applicable ratios are less than 25%, the entry into the JOA constitutes a discloseable transaction of the Corporation and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

Please see the attached announcement for more details.

By Order of the Board of Sunshine Oilsands Ltd.

Michael John Hibberd

Co-Chairman

and

Songning Shen

Co-Chairman

Hong Kong, October 21, 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 Shenti Fong, Mr. Wazir Chand Seth, Mr. Robert John Herdman and Mr. Gerald Franklin Stevenson as independent non-executive directors.

*For identification purposes only

DEFINITIVE JOINT OPERATING AGREEMENT FOR MUSKWA AND GODIN AREAS

Calgary, Alberta (October 20, 2013) and Hong Kong (October 21, 2013) – Sunshine Oilsands Ltd. (“**Sunshine**” or the “**Corporation**”) (HKEX: 2012, TSX: SUO) is pleased to announce that it has signed its previously announced joint operating agreement (“**JOA**”) with Renergy Petroleum (Canada) Co., Ltd., (“**Renergy**”) an affiliate of Changjiang Investment Group Co., Ltd. (“**Changjiang**”) with respect to the Corporation’s Muskwa and Godin area oil sands leases (“**Leases**”). Excluded from the JOA are all of Sunshine’s oil sands rights within the carbonate formations contained within the Leases.

Renergy will operate the assets under the JOA as the Operator. In return for a 50% working interest, Renergy has agreed to fund 100% of the initial joint operations conducted on the lands up to a maximum of CAD \$250 million (the “**Commitment Cap**”), which funding shall be deployed at the discretion of Renergy, as Operator, until the earlier of the point when (i) the sum contributed equals the Commitment Cap or (ii) average daily production from the lands over any 20 consecutive days period equals or exceeds 5,000 barrels per day (the “**Production Target**”).

The working interest transfer is not expected to result in any accounting gain or loss due to the accounting treatment of the transaction.

The JOA sets an outside date (the “**Outside Date**”) where the first planned phase of discrete operations (“**Phase One**”) shall be deemed to end if either the Commitment Cap has not been reached or the Production Target has not been achieved, which date is the earlier of: (i) three years from receipt of all required regulatory approvals in respect of Phase One; and (ii) six years from the date of the JOA; as may be extended by events of force majeure.

In the event that the Commitment Cap or Production Target is not reached by the Outside Date, Renergy’s working interest shall be reduced to that percentage obtained by multiplying 50% by the greater of (i) the sum of money in Canadian dollars contributed by Renergy under the JOA divided by CAD \$250 million and (ii) the average daily production from the lands under the Leases over a 20 consecutive days period divided by 5,000 (the extent of any such reduction, the “**Working Interest Clawback**”).

In the event that Renergy’s working interest is reduced pursuant to the Working Interest Clawback by 10% or more, Sunshine has the right to cause Renergy to resign as the Operator and Sunshine to become the Operator.

Sunshine’s Board of Directors is pleased that the opportunity in its Muskwa and Godin areas has been recognized through this significant agreement to provide both capital and other commitments.

To the best of the directors’ knowledge, information and belief having made all reasonable enquiry, Renergy and Changjiang and the ultimate beneficial owner of Renergy and Changjiang are, as at the date of this announcement, third parties independent of Sunshine and not connected persons of Sunshine (as defined in the Listing Rules).

ABOUT CHANGJIANG

Changjiang is a conglomerate, which was founded in 1997, with its business scope in manufacturing, trading and investment. Major businesses of Changjiang include steel,

chemical, mining, shipbuilding and import-export businesses. Changjiang has also invested in futures companies, private equity funds, infrastructure companies and high-tech companies.

ADDITIONAL FINANCING

Sunshine confirms that it is continuing in its active efforts to secure additional financing to fund the recommencement of West Ells project construction activities.

ABOUT SUNSHINE OILSANDS LTD.

Sunshine Oilsands Ltd. is one of the largest holders of oil sands leases by area in the Athabasca oil sands region, which is located in the province of Alberta, Canada. Since Sunshine's incorporation on 22 February 2007, Sunshine has secured over one million acres of oil sands leases (equal to approximately 7% of all granted leases in this area).

Sunshine's principal operations are the evaluation, development and production of its diverse portfolio of oil sands leases. Its principal operating regions in the Athabasca area are at West Ells, Thickwood, Legend Lake, Harper, Muskwa, Goffer, Pelican and Portage. Sunshine's oil sands leases are grouped into three main asset categories: clastics, carbonates and conventional heavy oil.

All cash values are expressed in Canadian dollars, unless otherwise indicated.

FOR FURTHER ENQUIRIES, PLEASE CONTACT:

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FORWARD-LOOKING INFORMATION AND DISCLAIMER

This announcement 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 Sunshine 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 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 our material risk factors, see "Risk Factors" in our most recent Annual Information Form, "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.

This document does not constitute and is not an offer to sell or a solicitation of an offer to buy common shares of Sunshine in the United States (including its territories and possessions, any State of the United States and the District of Columbia) or elsewhere.