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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)

**SUNSHINE OILSANDS LTD. ANNOUNCES PARTIAL CLOSING OF THE
PRIVATE PLACEMENT OF HK\$ 83.4 MILLION OF COMMON SHARES
UNDER SPECIFIC MANDATE**

By Order of the Board of Sunshine Oilsands Ltd.

Sun Kwok Ping
Executive Chairman

Calgary, August 20, 2015
Hong Kong, August 21, 2015

As at the date of this announcement, the Board consists of Mr. Kwok Ping Sun, Mr. Hong Luo and Dr. Qi Jiang as executive directors; Mr. Michael John Hibberd, Mr. Hok Ming Tseung, Mr. Haotian Li and Mr. Jin Hu as non-executive directors; and Mr. Raymond Shengti Fong, Mr. Robert John Herdman, Mr. Gerald Franklin Stevenson and Mr. Zhefei Song as independent non-executive directors.

** For identification purposes only*

Calgary, Alberta (August 20, 2015) and **Hong Kong** (August 21, 2015) - The Board of Directors of Sunshine Oilsands Ltd. (the “**Corporation**” or “**Sunshine**”) (HKEX: 2012, TSX: SUO) wishes to announce the following:

References are made to the announcements of the Corporation dated June 1, 2015 (Hong Kong time) (May 31, 2015 (Calgary time)) and July 28, 2015 (Hong Kong time) (July 27, 2015 (Calgary time)) (the “**Announcements**”) and the circular of the Corporation dated June 22, 2015 (the “**Circular**”), in relation to, among other matters, the proposed issue of new Shares under Specific Mandate and the connected transactions involving subscriptions for new Shares by connected persons. Unless the context requires otherwise, terms use herein shall have the same meanings as those defined in the Announcement and the Circular.

Sunshine is pleased to announce today that it has completed the closing of 111,214,210 Subscription Shares (the “**Partial Closing**”) authorized under the Specific Mandate. Upon the Partial Closing, the Corporation has received total gross proceeds of HK\$ 83,410,658 (approximately CDN\$ 14.1 million) for the allotment and issue of 111,214,210 Subscription Shares (the “**Issued Shares**”) at a Subscription Price of HK\$0.75 (approximately CDN\$ 0.13) per Subscription Share.

The Partial Closing details are as follows:

- i. Prime Union (103,380,000 Shares),
- ii. Mr. Hibberd (2,067,600 Shares),
- iii. Dr. Jiang (775,350 Shares),
- iv. Mr. Fong (1,000,000 Shares),
- v. Mr. Song (516,900 Shares), and
- vi. the Employee Subscribers (3,474,360 Shares),

The Issued Shares represent (i) approximately 2.85% of the issued share capital prior to the Partial Closing and (ii) approximately 2.77% of the issued share capital as enlarged by the Partial Closing.

The Corporation intends to apply the net proceeds from the Subscription Shares (i) for general working capital of the Corporation and (ii) as funds for future development of the existing business of the Corporation, including funding the development and operation costs of the West Ells project.

An announcement will be issued when the Corporation completes the closing of the remaining 413,520,000 Shares (HK\$310,140,000) subscribed for by Prime Union which will be closed in one or more tranches with the last tranche closing no later than September 30, 2015.

For further details of the Subscriptions, please see the Circular.

FORWARD-LOOKING INFORMATION

This announcement contains forward-looking information relating to, among other things: (a) closing of the Subscriptions, including the amounts and timing thereof; (b) the use of proceeds from the Subscriptions; (c) acquisitions of Shares; (d) the future financial performance and objectives of Sunshine; and (e) 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 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 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. 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 the Corporation’s material risk factors, see the Corporation’s annual information form for the year ended December 31, 2014 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 the Corporation’s website at www.sunshineoilsands.com.

ABOUT SUNSHINE OILSANDS LTD.

The Corporation is a Calgary based public corporation, listed on the Hong Kong Stock Exchange since March 1, 2012 and the Toronto Stock Exchange since November 16, 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 rate of 5,000 barrels per day.

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