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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)

INSIDE INFORMATION

DAILY PRODUCTION VOLUME AT THE WEST ELLS PHASE 1 PROJECT REACHED 2,200 BARRELS

This announcement is made in accordance with the Inside Information Provision under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

By Order of the Board of Sunshine Oilsands Ltd.

Sun Kwok Ping
Executive Chairman

Hong Kong, January 3, 2017
Calgary, January 2, 2017

As at the date of this announcement, the Board consists of Mr. Kwok Ping Sun, Mr. Hong Luo, Dr. Qi Jiang and Mr. Qiping Men as executive directors; Mr. Michael John Hibberd, Mr. Jianzhong Chen and Ms. Xijuan Jiang as non-executive directors; and Mr. Raymond Shengti Fong, Mr. Gerald Franklin Stevenson, Ms. Joanne Yan and Mr. Yi He as independent non-executive directors.

** For identification purposes only*

Hong Kong (January 2, 2017) and **Calgary, Alberta** (January 1, 2017) – The Board of Directors of Sunshine Oilsands Ltd. (“**the Corporation**” or “**Sunshine**”) (HKEX: 2012) hereby announces the following: b

DAILY PRODUCTION VOLUME AT THE WEST ELLS PHASE 1 PROJECT REACHED 2,200 BARRELS

The Corporation is pleased to announce that the West Ells Phase 1 project (“**the Project**”) located in the Athabasca region of Alberta has reached a production volume of 2,200 barrels per day on January 3, 2017 (Hong Kong Time)/ January 2, 2016 (Calgary Time). This marked a key milestone for the Corporation. At the same time, the production volume of the Project is continuously climbing. This is very favorable to the Project in moving towards its full production capacity in the near term.

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 of Alberta, Canada. 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.

For further enquiries, please contact:

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FORWARD LOOKING INFORMATION

This announcement contains forward-looking information relating to, among other things, (a) the future financial performance and objectives of Sunshine; and (b) 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, 2015 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.