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阳光油砂

SUNSHINE OILSANDS LTD.

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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)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

By Order of the Board of Sunshine Oilsands Ltd.

Sun Kwok Ping
Executive Chairman

Hong Kong, December 20, 2017
Calgary, December 20, 2017

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*

Hong Kong (December 20, 2017) and Calgary, Alberta (December 20, 2017) – The Board of Directors (the “**Board**”) of Sunshine Oilsands Ltd. (the “**Corporation**” or “**Sunshine**”) (HKEX: 2012) is pleased to announce the following:

The Board is pleased to announce that all conditions of the Placing Agreement have been fulfilled and the Completion took place on December 20, 2017. An aggregate of 60,606,500 Placing Shares were allotted and issued to not less than six Placees at the Placing Price of HK\$0.264 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

Reference is made to the announcement of the Corporation dated December 14, 2017 Hong Kong time (the “**Announcement**”) in relation to the placing of new Shares under the General Mandate. Unless otherwise specified, terms used herein shall have the same meanings as defined in the Announcement.

COMPLETION OF THE PLACING

The Board is pleased to announce that all conditions of the Placing have been fulfilled and the completion of the Placing took place on December 20, 2017. A total of 60,606,500 Placing Shares have been successfully placed by the Placing Agent to not less than six Placees at the Placing Price of HK\$0.264 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

To the best of the Director’s knowledge, information and belief, having made all reasonable enquiries, the Placees and their ultimate beneficial owners are third parties residing in Hong Kong independent of, not acting in concert (as defined in the Takeovers Code) with and not connected with the Corporation and its connected persons (as defined under Listing Rules). None of the Placees becomes a substantial shareholder (as defined under the Listing Rules) of the Corporation upon completion of the Placing. The net proceeds from the Placing, after deducting relevant expenses incurred in relation to the Placing, amount to approximately HK\$ 15,880,115.1 (approximately CDN\$ 2,617,042.97 at the current exchange rate) which will be used as general working capital of the Corporation and as funds for future development of the existing business of the Corporation, including funding the operation costs of the West Ells project.

EFFECT ON SHAREHOLDING STRUCTURE

The 60,606,500 Placing Shares represent (i) approximately 1.09% of the issued share capital of the Corporation immediately before completion of the Placing and (ii) approximately 1.08% of the issued share capital of the Corporation as enlarged by the allotment and issue of the Placing Shares.

Set out below is the shareholding structure of the Corporation immediately before and after completion of the Placing:

Name of Shareholders	Immediately before Completion of the Placing		Immediately after Completion of the Placing	
	Number of Shares	Approx. % of Shares	Number of Shares	Approx. % of Shares
Sun Kwok Ping	1,658,897,000	29.80%	1,658,897,000	29.48%
Tseung Hok Ming	295,893,656	5.31%	295,893,656	5.26%
Placees	-	-	60,606,500	1.08%
Other public shareholders (excluding the Placees)	3,612,480,457	64.89%	3,612,480,457	64.18%
Total	5,567,271,113	100%	5,627,877,613	100%

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.

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 closing of, and the anticipated timing of the closing of, the Placing; (b) the future financial performance and objectives of the Corporation; and (c) 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.