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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)*

CLARIFICATION ANNOUNCEMENT

CONNECTED TRANSACTION FORMATION OF JOINT VENTURE COMPANY IN CHINA

By Order of the Board of Sunshine Oilsands Ltd.
Kwok Ping Sun
Executive Chairman

Hong Kong, November 9, 2018
Calgary, November 9, 2018

As at the date of this announcement, the Board consists of Mr. Kwok Ping Sun and Ms. Gloria Pui Yun Ho as executive directors; Mr. Michael John Hibberd, Mr. Hong Luo, 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 (November 9, 2018) and **Calgary, Alberta** (November 9, 2018) - The Board of Directors (the “**Board**”) of Sunshine Oilsands Ltd. (the “**Corporation**” or “**Sunshine**”) (HKEX: 2012) wishes to clarify the following:

Reference is made to the announcement dated November 9, 2018 (Hong Kong time) / November 8, 2018 (Calgary, Alberta) (the “**Announcement**”) in relation to, among other matters, the formation of joint venture company in China. Unless defined otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

According to the Announcement, the Board has approved the joint formation of the JV Company in China (the “**Transaction**”) by the Corporation and a company affiliated (the “**Affiliate**”) with Kwok Ping Sun (“**Mr. Sun**”), the Executive Chairman and a Substantial Shareholder (as defined under the Listing Rules) of the Corporation and Nobao Energy Holding (China) Company Limited (“**Nobao**”) (a company under the control of Mr. Sun).

The Board wishes to clarify that the JV Company will be jointly established by Sunshine and the Affiliate, a company affiliated only with Kwok Ping Sun, the Executive Chairman and a Substantial Shareholder (as defined under the Listing Rules). The Affiliate is not affiliated with Nobao Energy Holding (China) Company Limited.

LISTING RULES IMPLICATIONS

The Affiliate is owned and controlled by Mr. Kwok Ping Sun, being the Executive Chairman and a Substantial Shareholder of the Corporation, and is therefore an associate of Mr. Sun. Hence, the proposed set up of the JV Company constitutes a connected transaction for the Corporation under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the JV Company establishment exceed 0.1% but are less than 5%, the Transaction will be subject to the annual review and disclosure requirements but exempt from the independent shareholders’ approval requirements as set out in Chapter 14A of the Listing Rules.

As of the date of this announcement, the parties are still in the process of negotiating the structure and terms of the JV Company and have not entered into any legally binding definitive agreement for the JV Company. The Board wishes to emphasize that the aforesaid JV Company establishment may or may not proceed. In the event that any formal agreements are entered into regarding the JV Company may constitute a notifiable transaction under the Listing Rules, the Corporation will make further announcement(s) as and when appropriate.

Shareholders and potential investors are required to exercise caution when dealing in the shares of the Corporation.

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.

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FORWARD LOOKING INFORMATION

This announcement contains forward-looking information relating to, among other things, 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, 2017 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.