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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)*

(Stock Code: 2012)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of Sunshine Oilsands Ltd. (the “**Corporation**”) announces that share options (the “**Share Options**”) to subscribe for shares in the capital of the Company (the “**Shares**”) were granted by the Corporation under its share option scheme adopted on January 26, 2012 to Mr. John Empey Zahary, the President and Chief Executive Officer of the Corporation, subject to his acceptance with details as follows:

Date of grant : May 17, 2012

Number of Shares in respect of which the
Share Options were granted : 2,000,000

Exercise price of Share Options granted : HK\$4.86

Closing price of the Shares on the date of
grant : HK\$4.60

Validity period of the Share Options : Five (5) years

Vesting dates of the Share Options : 1/3 of the Share Options granted will vest immediately, 1/3 on December 20, 2012 and 1/3 on December 20, 2013

Pursuant to Rule 17.04(1) of the Listing Rules, the grant of the Share Options to Mr. John Empey Zahary has been approved by the Independent Non-Executive Directors of the Corporation.

By Order of the Board
Michael John Hibberd
Co-Chairman
and
Songning Shen
Co-Chairman

Hong Kong, May 18, 2012

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

* *For identification purposes only*