

## ***Press release***

**Not for distribution in or into the United States or Canada**

***For Immediate Release***



## **SUNSHINE OILSANDS LTD.**

**Global Offering of 923,299,500 Shares**

**At HK\$4.86 to HK\$5.08 per Offer Share**

**To be listed on the Main Board of HKEx on 1 March 2012**

**Hong Kong, 19 February 2012 – Sunshine Oilsands Ltd.** (“Sunshine” or “the Company”), the largest non-partnered holder of oil sands leases by area in Canada’s Athabasca oil sands region, today announced its plan to list on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) through a Hong Kong public offering and an international offering (the “Global Offering”) of 923,299,500 shares (subject to reallocation and the over-allotment option).

At HK\$4.97 per share being the mid-point of the estimated Offer Price range, the net proceeds raised from the offering will be approximately HK\$4,287.2 million, after deducting underwriting fees and commissions and estimated expenses payable by the Company in relation to the Global Offering. Approximately 93% of net proceeds will be used for funding the development of oil sands and heavy oil projects, mainly at West Ells, Muskwa and Thickwood, as well as delineation drilling and other development projects, and approximately 7% of net proceeds will be used for general working capital for corporate and other purposes.

Morgan Stanley Asia Limited, Deutsche Bank AG Hong Kong Branch and BOCI Asia Limited are the joint global coordinators, joint sponsors, joint bookrunners and joint lead managers of the Global Offering. The public offering will be open for subscription on 20 February 2012 (Monday) and will close at noon on 23 February 2012 (Thursday). The allotment results will be announced on 29 February 2012 (Wednesday). The shares will be listed on the main board of the Stock Exchange on 1 March 2012 (Thursday).

As confirmed by GLJ Petroleum Consultants Limited, Sunshine is the largest non-partnered holder of oil sands leases by area in the Athabasca oil sands region, which is the most prolific oil sands region in the Province of Alberta, Canada. The Company’s principal operations are the exploration, development and production of its oil sands leases. The Company has secured over 464,897 hectares of oil sands leases (equal to approximately 7% of all granted leases in this area).

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The Company has seven principal operating regions in the Athabasca area including West Ells, Thickwood, Legend Lake, Harper, Muskwa, Goffer and Portage. With the exception of shared formations, which account for less than 1% of the total leases, the Company has 100% ownership of its oil sands leases.

Sunshine's oil sands leases are grouped into three main asset categories:

1. **Clastics** are oil-saturated sands which contain bitumen. The Company's clastics assets are currently in the exploration and development stage and are expected to enter the initial production stage in the second quarter of 2013.
2. **Carbonates** are oil-saturated carbonate based sedimentary rock, which are currently in the exploration stage.
3. **Conventional heavy oil** which began producing in September 2010. The Company plans to increase production capacity to an expected rate of between 1,600 – 1,800 bbl/d (barrel per day) by the end of 2012. The Company has identified additional conventional heavy oil opportunities on its other leases.

The first phase of West Ells, the Company's first thermal clastics project, has an initial anticipated production rate of 5,000 bbl/d, which will be followed by an additional 5,000 bbl/d expansion to reach planned production capacity of 10,000 bbl/d. The Company is currently on target to further expand its production base through existing applications and expects to reach production capacities of approximately 5,000, 10,000, 20,000 bbl/d respectively in 2013, 2014 and 2015 and to reach a potential production target for clastics of approximately 200,000 bbl/d in 2024.

"Sunshine's large, high quality oil resource base is located in an area that has already attracted significant investment from many large international oil companies. Our diverse portfolio of assets, with defined production growth plans and considerable scope to identify additional projects, presents an opportunity to gain direct investment exposure to establish and expand commercial production in one of the largest oil resource areas in the world," said Mr. Michael Hibberd, Co-Chairman of Sunshine Oilsands Ltd.

As of November 30, 2011, Sunshine's pre-tax PV 10% value of Proved and Probable (2P) reserves and best estimate contingent resources was approximately C\$5.67 billion. The Company's reserves and resources have been independently evaluated and consist of approximately 45.4 billion barrels of best estimate Petroleum Initially in Place (PIIP). Its reserves and resources consisted of approximately 3.1 billion barrels best estimate contingent resources with a pre-tax PV 10% value of C\$4.8 billion, and approximately 419 million barrels of Proved and Probable reserves with a pre-tax PV 10% value of C\$829 million respectively.

The Company is backed by prominent Chinese investors including China Life Insurance (Overseas) Company Limited, Bank of China Group Investment Limited and Cross-Strait Common Development Fund Co. Ltd.

Sunshine has also secured key cornerstone IPO investors including China Investment Corporation, Sinopec Group and EIG Management Company and has entered into a non-binding Memorandum of Understanding for Strategic Cooperation in February 2012 with Sinopec International Petroleum Exploration & Production Corporation, a wholly owned subsidiary of Sinopec. "We are pleased to have participation of knowledgeable cornerstone

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investors in our IPO initiative and we are pleased that Sinopec, in addition to being a cornerstone investor, also intends to examine opportunities for joint participation in the development, exploration and production of Sunshine's oil sands leases, as well as other mutually agreed investments and projects in Canada and globally," said Mr. Songning Shen, Co-Chairman of Sunshine Oilsands Ltd.

During the three years ended 31 December 2010 and the interim nine months ended 30 September 2011, Sunshine has completed three winter delineation programmes and has progressed to early stage development and production of its diverse portfolio of oil sands leases.

"Our vision is to be a top performing oil sands company, with a focus on increasing long-term shareholder value through the responsible development and production of our oil sands properties," said Mr. John Zahary, President and Chief Executive Officer of Sunshine Oilsands Ltd.

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### **ABOUT SUNSHINE OILSANDS LTD.**

Sunshine Oilsands Ltd., as confirmed by GLJ Petroleum Consultants Limited, is the largest non-partnered holder of oil sands leases by area in the Athabasca oil sands region, which is located in the province of Alberta, Canada. Since the Company's incorporation on 22 February 2007, Sunshine Oilsands has secured over 464,897 hectares of oil sands leases (equal to approximately 7% of all granted leases in this area).

The Company's principal operations are the exploration, development and production of its diverse portfolio of oil sands leases. Its seven principal operating regions in the Athabasca area are at West Ells, Thickwood, Legend Lake, Harper, Muskwa, Goffer and Portage. Sunshine's oil sands leases are grouped into three main asset categories, including clastics, carbonates and conventional heavy oil.

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Sunshine Oilsands Ltd.

## Global Offering Statistics

<b>Stock code</b>	2012	
<b>Global Offering</b>	923,299,500 Shares <i>(subject to reallocation and the Over-Allotment Option)</i>	
<b>Hong Kong Offer Shares:</b>	92,330,000 Shares <i>(subject to reallocation)</i>	
<b>International Offer Shares:</b>	830,969,500 Shares <i>(subject to reallocation and the Over-Allotment Option)</i>	
<b>Indicative Offer Price range</b>	HK\$4.86 - HK\$5.08	
	Based on an Offer Price of HK\$4.86	Based on an Offer Price of HK\$5.08
<b>Market capitalisation of our Shares<sup>(1)</sup></b>	HK\$13,806.9 million	HK\$14,431.9 million
<b>Unaudited pro forma adjusted net tangible asset value per Share<sup>(2) (3)</sup></b>	C\$0.24 (HK\$1.77)	C\$0.25 (HK\$1.84)
<b>Expected listing date</b>	1 March 2012 (Thursday)	
<b>No. of Offer Shares per board lot</b>	500	

### Notes:

- (1) The calculation of market capitalization is based on 2,840,921,435 shares expected to be in issue immediately following completion of the global offering, including the Orient Shares to be issued to Orient Financial Holdings Limited ("Orient Financial") pursuant to the Advisory Agreement at listing and assuming that the Over-Allotment Option is not exercised.
- (2) Translated from Canadian dollars to Hong Kong dollars at the rate of C\$0.1335 = HK\$1.00 as at 30 September 2011.
- (3) The unaudited pro forma adjusted net tangible asset value per share is calculated after making the adjustments referred to in the section entitled "Unaudited Pro Forma Financial Information" in Appendix II to the Prospectus and on the basis of 2,840,921,435 shares expected to be issued and outstanding immediately after the global offering. 2,840,921,435 shares represented (i) 1,470,171,240 common shares and 433,884,300 redeemable shares issued and outstanding as of 30 September 2011 assuming the 20-for-1 share split was completed as at this date, and (ii) 923,299,500 common shares to be issued under the global offering and 13,566,395 Orient Shares to be issued under the Advisory Agreement. No account has been taken of the Excluded Shares.

### Definitions:

**Orient Shares:** The 13,566,395 shares to be issued to Orient Financial pursuant to the Advisory Agreement upon the listing date based on the number of issued and outstanding shares at the time of pricing of the global offering (which is expected to be on or about 24 February 2012).

**Excluded Shares:** Any shares which may be issued (i) pursuant to the exercise of the Over-Allotment Option, (ii) pursuant to the exercise of any of the share options granted under the Company's share options schemes after the Latest Practicable Date; or (iii) pursuant to the conversion of any Class G Shares or Class H Shares as at the listing date.

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This document does not constitute and is not an offer to sell or a solicitation of an offer to buy shares of the Company in the United States (including its territories and possessions, any State of the United States and the District of Columbia) or elsewhere. The Company has not registered and does not intend to register the shares under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and the shares may not be offered or sold in the United States absent registration under the Securities Act or an exemption from registration. The Company does not intend to make any public offering of the shares in the United States, or in any jurisdiction other than Hong Kong. Any public offering of the Securities to be made in the United States will be made by means of a United States prospectus that may be obtained from the Company and that will contain detailed information about the Company and its management, as well as financial statements.

The shares are not qualified for distribution by a prospectus filed in Alberta or any other province of Canada. The shares may not be offered, sold or resold, directly or indirectly, in Canada or to any resident of Canada in connection with the global offering, except pursuant to an exemption from the prospectus requirements of applicable Canadian securities laws, and in compliance with, or pursuant to exemptions from, the dealer registration requirements of such laws. The shares are not qualified for resale in Alberta and may not be resold in Alberta, directly or indirectly, during the four month period commencing with the completion of the global offering, except pursuant to exemptions from the prospectus requirements of applicable securities laws.