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阳光油砂
SUNSHINE OILSANDS LTD.

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)

DISCLOSEABLE TRANSACTION
ASSET DISPOSAL

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

Hong Kong, August 8, 2020

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, Ms. Linna Liu and Ms. Xijuan Jiang as non-executive directors; and Mr. Yi He, Mr. Alfa Li and Mr. Guangzhong Xing as independent non-executive directors.

**For identification purposes only*

Hong Kong (August 8, 2020) - The Board of Directors (the “**Board**”) of Sunshine Oilsands Ltd. (the “**Corporation**” or “**Sunshine**”) (HKEX: 2012) wishes to announce the following:

THE DISPOSAL

The Board is pleased to announce that on August 8, 2020 (Hong Kong time), the Corporation entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Corporation agreed to sell, and the Purchaser agreed to purchase, the Underlying Asset at a total consideration of USD2.85 million (equivalent to approximately CDN \$3,812,445) subject to the terms and conditions stipulated therein.

LISTING RULES IMPLICATIONS

Pursuant to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio for the Disposal exceeds 5% but is less than 25%, such Disposal constitutes a discloseable transaction for the Corporation and is subject to the notification and announcement requirements but exempt from the shareholders’ approval requirement under Chapter 14 of the Listing Rules.

Sale and Purchase Agreement

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The principal terms of the Sale and Purchase Agreement are summarized below:

Execution Date:

August 8, 2020

Parties:

- 1) the Corporation; and
- 2) the Purchaser

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquires, the Purchaser and its ultimate beneficial owners are third parties independent of the Corporation and its connected persons.

Completion

Completion of the Disposal took place on or before August 20, 2020 (Calgary Time) or such other date as the parties concerned may agree in writing. The Purchaser shall take over control the Underlying Asset upon Completion.

Consideration:

The consideration for the Underlying Asset is USD2.85 million (equivalent to approximately CDN \$ 3,812,445), which was determined after arm's length negotiation between the parties with reference to, among other things, (i) the market intelligence as gathered by the Group; (ii) the terms and conditions of the Disposal as a whole; and (iii) changes in the market conditions.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The turbine was originally purchased at approximately USD4.5 million and has been held idle in a rented storage in the United States.

Given COVID-19 and the current oil market condition, the Directors are of the view that it is an opportune time to dispose idle assets to improve liquidity. The Directors intend to apply the proceed from the Disposal for general working capital.

The Directors (including the independent non-executive Directors) consider that the Consideration of the Disposal was at the then prevailing market prices and that the terms of the Disposal are on normal commercial terms and are fair and reasonable. The Disposal is in the interest of the Corporation and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio of the Disposal is over 5% but less than 25%, the Disposal constitute disclosable transaction for the Corporation. Accordingly, the Disposal are subject to the notification and announcement requirements, but is exempted from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

"connected persons"	has the meaning ascribed thereto in the Listing Rules
"Disposal"	the disposal of the solar turbine by the Corporation pursuant to the Sale and Purchase Agreement
"Director(s)"	the director(s) of the Corporation
"Group"	the Corporation and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party who is not a connected person (as defined in the Listing Rules) of the Corporation and is independent of and not connected with the connected persons of the Corporation
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Steel Reef Infrastructure Corp., a company incorporated in Canada with limited liability
“Shares” or “Common Shares”	the Class A common voting shares of the Corporation that is listed on the Stock Exchange
“Shareholder(s)”	holder(s) of the issued Shares
“Sale and Purchase Agreement ”	the sale and purchase agreement fully executed on August 8, 2020 and entered into between the Corporation and the Purchaser, in relation to, among others, the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underlying Asset”	A Taurus 70 Gas Turbine Generator Set with spare parts and battery charger
“CDN \$”	Canadian dollars, the lawful currency of Canada
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“USD”	United States dollars, the lawful currency of Hong Kong
“%”	per cent.

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, 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, 2019 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.