CALGARY, AB--(Marketwired - April 30, 2015) - Canadian Oil Sands Ltd. ("COS") (TSX: COS) (OTCQX: COSWF)

All financial figures are unaudited and in Canadian dollars unless otherwise noted.

Canadian Oil Sands Ltd. ("COS") reported strong operating performance at Syncrude for the first quarter of 2015, with cost reduction initiatives and stable production mitigating the impact of lower oil prices. COS' cash flow from operations of $76 million ($0.16 per Share) fully funded capital expenditures in the period. Realized Synthetic Crude Oil ("SCO") selling prices averaged $56 per barrel, representing a 47 percent drop compared with the first quarter of 2014. Syncrude produced an average 293,700 barrels per day during the first quarter of 2015 at an operating expense of $35.71 per barrel.

"Our first quarter results clearly demonstrate the value of a stable operation and Syncrude's cost management initiatives," said Ryan Kubik, President and Chief Executive Officer. "With a further reduction in our cost estimates for 2015 and the wrap-up of investment in major capital projects, we expect Syncrude to spend about $1.7 billion less in 2015 than last year to run and maintain the operation."

Added Mr. Kubik: "Syncrude is entering a period of lower spending in its capital investment cycle, which we expect will extend for several years, while maintaining its commitment to reliability initiatives and safety and environmental performance."

Highlights for the three months ended March 31, 2015:

- Operating expenses are down 24 percent to $35.71 per barrel in the first quarter of 2015 compared with the comparative 2014 period.
- Capital expenditures are down 66 percent to $73 million, reflecting the substantial completion of the major projects and progress on cost reductions. With the completion of these major projects, capital investment is set to be lower for the next several years.
- Sales volumes for the quarter averaged about 107,300 barrels per day relative to the 105,300 barrels per day recorded in the first quarter of 2014.
- Cash flow from operations was $76 million ($0.16 per Share) compared with $357 million ($0.74 per Share) in the same quarter of 2014. Despite the impact of significantly lower selling prices, COS was able to fund its capital expenditures from cash flow from operations in the first quarter of 2015.
- A net loss of $186 million (($0.38) per Share) was recorded for the quarter compared with net income of $172 million ($0.35 per Share) in the 2014 comparative period, largely as a result of unrealized foreign exchange losses on COS' U.S. dollar denominated long-term debt.
- COS declared a quarterly dividend of $0.05 per Share, payable on May 29, 2015 to shareholders of record on May 22, 2015.
- COS remains in a strong financial position and has sufficient liquidity and balance sheet strength in the current environment, including $1.1 billion available under credit facilities that do not expire until 2018.

	Three Months Ended March 31	
	2015	2014
Cash flow from operations[1] ($ millions)	$ 76	$ 357
Per Share[1] ($/Share)	$ 0.16	$ 0.74
Net income (loss) ($ millions)	$ (186)	$ 172
Per Share, Basic and Diluted ($/Share)	$ (0.38)	$ 0.35
Sales volumes[2]		
Total (mmbbls)	9.7	9.5
Daily average (bbls)	107,305	105,283
Realized SCO selling price ($/bbl)	$ 55.95	$ 105.73
West Texas Intermediate ("WTI") (average $US/bbl)	$ 48.57	$ 98.61
SCO premium (discount) to WTI (weighted average $/bbl)	$ (4.36)	$ (2.93)
Average foreign exchange rate ($US/$Cdn)	$ 0.81	$ 0.91
Operating expenses ($ millions)	$ 345	$ 445
Per barrel ($/bbl)	$ 35.71	$ 46.91
Capital expenditures ($ millions)	$ 73	$ 217
Dividends ($ millions)	$ 24	$ 170
Per Share ($/Share)	$ 0.05	$ 0.35

[1] *Cash flow from operations and cash flow from operations per Share are additional GAAP financial measures and are defined in the "Additional GAAP Financial Measures" section of our MD&A.*

[2] *The Corporation's sales volumes differ from its production volumes due to changes in inventory, which are primarily in-transit pipeline volumes. Sales volumes are net of purchases.*

Syncrude Operations

During the first quarter of 2015, Syncrude produced 26.4 million barrels, or 293,700 barrels per day, compared with 26.3 million barrels, or 292,500 barrels per day, in the first quarter of 2014. A planned turnaround of Coker 8-3 and ancillary units commenced in late March 2015 and is expected to be completed in May.

Operating expenses for the first quarter of 2015 totaled $345 million, or $35.71 per barrel, compared with $445 million, or $46.91 per barrel in the 2014 first quarter. The decrease reflects lower costs for purchased natural gas and diesel and progress on cost reduction initiatives. With progress on these initiatives proceeding better than expected, COS is raising its estimate for 2015 cost savings to the midpoint of the targeted range of $260 million to $400 million (net to COS). Syncrude is continuing to target the upper end of this range and aiming to establish cost-efficiency improvements to affect structural cost reductions.

Syncrude's capital expenditures totaled $73 million in the first quarter of 2015, down significantly from $217 million in the comparative 2014 quarter as a result of substantial completion of the major projects and progress on capital cost reductions. Continued success in executing the major projects has delivered additional reductions in the cost estimates. The remaining Centrifuge Tailings Management project is now estimated to cost $1.8 billion, down from the original budget of $1.9 billion (gross to Syncrude). The project is 99 percent complete and on schedule for completion in 2015. In total, Syncrude has achieved cost savings of $700 million, gross to Syncrude, relative to COS' estimated costs for the major projects.

"Operating performance in the first quarter is encouraging, demonstrating a return to more typical production rates at Syncrude and supporting our production Outlook for 2015," said Mr. Kubik. "With the major projects completed and supporting production for decades, Syncrude's focus is on stabilizing and growing production volumes while managing costs."

Annual General Meeting

COS will hold its Annual General Meeting of Shareholders today, April 30, 2015 at 2:30 p.m. (MDT) in the Ballroom of the Metropolitan Conference Centre, located at 333 Fourth Avenue SW, Calgary, Alberta. A live audio webcast of the meeting can be accessed on COS' website at www.cdnoilsands.com. An archived version of the webcast and presentation material will be available shortly after the meeting from the website for 90 days.

COS' founding Chairman, Mr. Chuck Shultz, will retire from Canadian Oil Sands' Board of Directors at the meeting. Mr. Shultz has served 19 years on COS' Board, including almost 14 years as Chairman. Following his retirement, the COS Board will be reduced to 10 members.

2015 Outlook

- COS is maintaining its estimate for annual Syncrude production to range from 95 to 110 million barrels with a single-point estimate of 103 million barrels. The production outlook reflects a planned turnaround of Coker 8-3 and ancillary units, including the Vacuum Distillation Unit, which began in late March and is expected to be completed in May. Second quarter production and per barrel operating expenses will reflect the impact of this work.
- Our assumption for average 2015 WTI crude oil prices is US$55 per barrel. Assuming an $0.82 CAD:USD exchange rate and a $4 per barrel discount for SCO relative to Canadian dollar WTI, our expected annual realized SCO selling price is about $63 per barrel.
- We have reduced our estimate for operating expenses to $1,494 million, or just under $40 per barrel.
- Our estimate for cash flow from operations has increased to $407 million, or $0.84 per Share.
- The estimate for capital expenditures has declined to $429 million, net to COS.
- Based on the assumptions in our Outlook, net debt is forecast to peak during the second quarter, with lower sales volumes and cash flows due to the turnaround, before returning to current levels by year end.

(millions of Canadian dollars, except volume and per barrel amounts)	As of April 30, 2015	As of January 29, 2015
Operating assumptions		
Syncrude production (mmbbls)	103	103
Canadian Oil Sands sales (mmbbls)	37.8	37.8
Sales, net of crude oil purchases and transportation	$ 2,387	$ 2,387
Realized SCO selling price ($/bbl)	$ 63.08	$ 63.08
Operating expenses	$ 1,494	$ 1,521
Operating expenses per barrel	$ 39.48	$ 40.19
Development expenses	$ 144	$ 151
Crown royalties	$ 145	$ 119
Current taxes	$ 55	$ 65
Cash flow from operations[1, 2]	$ 407	$ 368
Capital expenditure assumptions		
Major projects	$ 89	$ 104
Regular maintenance	$ 299	$ 315

Capitalized interest	$ 41	$ 32
Total capital expenditures	$ 429	$ 451
Business environment assumptions		
Sales weighted average WTI crude oil (USD/bbl)	$ 55.00	$ 55.00
Sales weighted average premium/discount to CAD WTI ($/bbl)	$ (4.00)	$ (4.00)
Sales weighted average foreign exchange rate (CAD: USD)	$ 0.82	$ 0.82
Sales weighted average AECO natural gas (CAD/GJ)	$ 3.00	$ 3.00

[1] Cash flow from operations is an additional GAAP financial measure and is defined in the "Additional GAAP Financial Measures" section of the MD&A.

[2] Estimated 2015 cash flow from operations in this Outlook excludes $66 million of Crown royalties which were expensed in prior years and will be paid in the first quarter of 2016.

Changes in certain factors and market conditions could potentially impact Canadian Oil Sands' Outlook. More information on the Company's results and Outlook is provided in our MD&A and the April 30, 2015 guidance document, which are available on our web site at www.cdnoilsands.com under "Investor Centre".

Forward-Looking Information

In the interest of providing the shareholders and potential investors of Canadian Oil Sands Ltd. (the "Corporation") with information regarding the Corporation, including management's assessment of the Corporation's future production and cost estimates, plans and operations, certain statements throughout this press release contain "forward-looking information" under applicable securities law. Forward-looking statements are typically identified by words such as "anticipate", "expect", "believe", "plan", "intend" or similar words suggesting future outcomes.

Forward-looking statements in this press release include, but are not limited to, statements with respect to: the estimated potential 2015 cost reductions; the expectation that Syncrude will spend about $1.7 billion less in 2015 than in 2014 to run and maintain its operation; the belief that, with the completion of the Syncrude major projects, capital investment is set to be lower for the next several years; the timing of the turnaround of Coker 8-3; all expectations regarding dividends; all expectations regarding net debt; all expectations regarding the Corporation's liquidity; the estimated cost and timing of completion of the Centrifuge plant at the Mildred Lake Mine; the 2015 annual Syncrude production range of 95 million barrels to 110 million barrels and the Corporation's 2015 budget assumption of 103 million barrels (37.8 million barrels net to the Corporation); the estimated sales, operating expenses, development expenses, Crown royalties, current taxes, capital expenditures, and cash flow from operations in 2015; the estimated price for crude oil and natural gas in 2015; the estimated foreign exchange rate in 2015; the anticipated impact of increases or decreases in oil prices, production, operating expenses, foreign exchange rates and natural gas prices on the Corporation's cash flow from operations; the estimated 2015 major project, regular maintenance and capitalized interest spending; and the estimated realized selling price, which includes the anticipated differential to West Texas Intermediate ("WTI") to be received in 2015 for the Corporation's product.

You are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur. Although the Corporation believes that the expectations represented by such forward-looking statements are reasonable and reflect the current views of the Corporation with respect to future events, there can be no assurance that such assumptions and expectations will prove to be correct.

The factors or assumptions on which the forward-looking information is based include, but are not limited to: the assumptions outlined in the Corporation's guidance document as posted on the Corporation's website at www.cdnoilsands.com as of April 30, 2015 and as subsequently amended or replaced from time to time, including without limitation, the assumptions as to production, operating expenses and oil prices; the successful and timely implementation of capital projects; Syncrude's major project spending plans; the ability to obtain regulatory and Syncrude joint venture owner approval; our ability to either generate sufficient cash flow from operations to meet our current and future obligations or obtain external sources of debt and equity capital; the continuation of assumed tax, royalty and regulatory regimes and the accuracy of the estimates of our reserves and resources volumes.

Some of the risks and other factors which could cause actual results or events to differ materially from current expectations expressed in the forward-looking statements contained in this press release include, but are not limited to: volatility of crude oil prices; volatility of the synthetic crude oil ("SCO") to WTI differential; the impact that pipeline capacity and apportionment and refinery demand have on prices for SCO and the ability to deliver SCO; the impacts of regulatory changes especially those which relate to royalties, taxation, tailings, water and the environment; the impact of new technologies on the cost of oil sands mining; the impacts of rising costs associated with tailings and water management; the inability of Syncrude to obtain required consents, permits or approvals, including without limitation, the inability of Syncrude to obtain approval to return water from its operations; the impact of Syncrude being unable to meet the conditions of its approval for its tailings management plan under Directive 074; various events which could disrupt operations including fires, equipment failures and severe weather; unsuccessful or untimely implementation of capital or maintenance projects; the impact of technology on operations and

processes and how new complex technology may not perform as expected; the obtaining of required owner approvals from the Syncrude owners for expansions, operational issues and contractual issues; labour turnover and shortages and the productivity achieved from labour in the Fort McMurray area; uncertainty of estimates with respect to reserves and resources; the supply and demand metrics for oil and natural gas; currency and interest rate fluctuations; volatility of natural gas prices; the Corporation's ability to either generate sufficient cash flow from operations to meet its current and future obligations or obtain external sources of debt and equity capital; the inability of the Corporation to continue to meet the listing requirements of the Toronto Stock Exchange; general economic, business and market conditions and such other risks and uncertainties described in the Corporation's AIF dated February 24, 2015 and in the reports and filings made with securities regulatory authorities from time to time by the Corporation which are available on the Corporation's profile on SEDAR at www.sedar.com and on the Corporation's website at www.cdnoilsands.com.

You are cautioned that the foregoing list of important factors is not exhaustive. Furthermore, the forward-looking statements contained in this press release are made as of April 30, 2015, and unless required by law, the Corporation does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

Additional GAAP Financial Measures

In this press release, we refer to additional GAAP financial measures that do not have any standardized meaning as prescribed by Canadian GAAP. Additional GAAP financial measures include: cash flow from operations, cash flow from operations per Share and net debt. For more information on additional GAAP financial measures please refer to our First Quarter MD&A which is available on the Corporation's website at www.cdnoilsands.com.

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Ticker Symbols
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