CALGARY, AB--(Marketwired - October 29, 2015) - *All financial figures are unaudited, have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") and are reported in Canadian dollars, unless otherwise noted.*

Canadian Oil Sands Ltd. (TSX: COS) (OTCQX: COSWF) ("COS") reported cash flow from operations of $82 million, or $0.17 per Share, in the third quarter, reflecting a 41 percent decline in our realized selling price and reduced production volumes, offset by significant cost reductions at Syncrude.

"The Syncrude project is entering a new era of lower cost operations. A major period of reinvestment that will sustain production for decades has come to a close and Syncrude is driving down costs in its base operations," said Ryan Kubik, President and Chief Executive Officer. "Canadian Oil Sands is demonstrating its ability to weather this period of low oil prices and even a modest improvement in oil prices will generate robust expansion of cash flow."

Canadian Oil Sands has a strong balance sheet and ample financial flexibility. Net debt has declined over the previous quarter, and the earliest long-term debt maturity is not until 2019.

The COS Board of Directors has reviewed the Suncor Energy Inc. bid with its external financial and legal advisors and has determined that the bid substantially undervalues COS and is not in the best interests of COS and its shareholders. The Board unanimously recommends shareholders reject this undervalued, opportunistic, and exploitive bid as discussed further below.

Highlights for the three months ended September 30, 2015:

- Results in the third quarter reflect two months of strong operations, with production averaging about 320,000 barrels per day (117,600 barrels per day net to COS) and operating expenses of approximately $30 per barrel in July and August; however, in late August, a process fire occurred in a section of piping at Syncrude's upgrader, which limited SCO shipments to minimal levels while damage was being assessed and facilities were being repaired. The incident resulted in a production impact of approximately seven million barrels (2.6 million barrels net to COS) in the quarter.
- Sales volumes averaged 86,687 barrels per day relative to the 87,787 barrels per day recorded in the third quarter of 2014.
- Operating expenses fell $7.24 per barrel, averaging $40.49 per barrel compared with the same 2014 period. The decline reflects progress on Syncrude's cost reduction initiatives, partially offset by the impact of the process fire on production volumes.
- Capital expenditures were down 62 percent to $84 million compared with the 2014 third quarter, reflecting completion of Syncrude's major projects and progress on cost reduction initiatives. The Centrifuge Tailings Management project was completed approximately $100 million ($37 million net to COS) under budget.
- Syncrude achieved more than $1 billion ($367 million net to COS) in operating and capital cost reductions in the first nine months of 2015. As a result of significant progress on cost reduction initiatives, Syncrude has increased its targeted savings for 2015 to $1.3 billion ($488 million net to COS).
- COS realized a SCO selling price of $60.20 per barrel compared with $102.58 per barrel in the same 2014 quarter.
- Cash flow from operations was $82 million ($0.17 per Share) compared with $302 million ($0.62 per Share) in the same quarter of 2014, largely reflecting a lower realized SCO selling price partially offset by lower operating costs.
- COS reported a net loss of $174 million ($0.36 per Share) for the quarter, mainly reflecting unrealized foreign exchange losses on the revaluation of U.S. dollar denominated long-term debt.
- COS declared a quarterly dividend of $0.05 per Share, payable on November 30, 2015 to shareholders of record on November 23, 2015.

	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Cash flow from operations[1] ($ millions)	$ 82	$ 302	$ 228	$ 899
Per Share[1] ($/Share)	$ 0.17	$ 0.62	$ 0.47	$ 1.86
Net income (loss) ($ millions)	$ (174)	$ 87	$ (488)	$ 435
Per Share, Basic and Diluted ($/Share)	$ (0.36)	$ 0.18	$ (1.01)	$ 0.90
Sales volumes[2]				
Total (mmbbls)	8.0	8.1	24.6	24.6
Daily average (bbls)	86,687	87,787	90,285	89,980
Realized SCO selling price ($/bbl)	$ 60.20	$ 102.58	$ 62.58	$ 106.49
West Texas Intermediate ("WTI") (average $US/bbl)	$ 46.50	$ 97.25	$ 51.01	$ 99.62
SCO premium (discount) to WTI (weighted-average $/bbl)	$ (0.75)	$ (3.14)	$ (1.23)	$ (2.28)
Average foreign exchange rate ($US/$Cdn)	$ 0.76	$ 0.92	$ 0.79	$ 0.91

Operating expenses ($ millions)	$ 323	$ 385	$ 1,037	$ 1,248
Per barrel ($/bbl)	$ 40.49	$ 47.73	$ 42.07	$ 50.81
Capital expenditures ($ millions)	$ 84	$ 222	$ 312	$ 760
Dividends ($ millions)	$ 25	$ 170	$ 73	$ 509
Per Share ($/Share)	$ 0.05	$ 0.35	$ 0.15	$ 1.05

[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 crude oil purchases.

Syncrude Operations

During the third quarter of 2015, Syncrude produced 21.6 million barrels, or 234,500 barrels per day, compared with 22.5 million barrels, or 244,800 barrels per day, in the third quarter of 2014. Production during the third quarter of 2015 was impacted by a process fire in the interconnecting piping between the hydrotreating and environmental units at Syncrude's upgrader which limited SCO shipments to minimal levels while damage was being assessed and the facilities were being repaired. The incident did not result in any injuries and the mining and extraction operations and major upgrading units were not damaged. All necessary repairs have now been made and Syncrude is implementing a plan to prevent a similar incident in the future. In the third quarter of 2014, production volumes reflected unplanned outages on sulphur processing units.

On a year-to-date basis, Syncrude produced 66.9 million barrels, or 245,100 barrels per day, in 2015 compared with 67.3 million barrels, or 246,400 barrels per day in 2014.

In September 2015, Syncrude achieved the highest level of certification for the sixth consecutive time in the Progressive Aboriginal Relations (PAR) program from the Canadian Council of Aboriginal Business. The PAR Gold certification recognizes Syncrude's commitment to Aboriginal employment, community investment, business development and community engagement.

Syncrude has updated its sustainability metrics for 2014; this information is available at www.syncrude.ca.

Board of Canadian Oil Sands Recommends Rejection of Substantially Undervalued Suncor Bid

On October 5, 2015, Suncor Energy Inc. ("Suncor") announced a bid to acquire all the common shares of Canadian Oil Sands on the basis of 0.25 of a Suncor share for each share of COS. The Board of Directors of COS has now completed a full review of the offer with its external financial and legal advisors and has determined that the Suncor bid substantially undervalues COS and is not in the best interests of COS and its shareholders.

- The value offered for the shares is wholly inadequate; it substantially undervalues the COS ownership in Syncrude.
- Timing of the Suncor bid is entirely opportunistic; it is intended to take advantage of unprecedented conditions in the energy industry.
- The bid is exploitive: As an insider to the Syncrude joint venture, Suncor is aware of several cost reduction and value enhancing initiatives being discussed and implemented at Syncrude. Suncor's offer is attempting to increase its ownership before these initiatives take hold and are recognized and valued by the market.
- The bid fails to recognize that COS is strongly positioned to withstand low oil prices and emerge with even greater value when oil prices recover.

Its financial advisor, RBC Capital Markets, has provided COS' Board of Directors with a written opinion that the consideration offered by the Suncor bid is inadequate to shareholders from a financial point of view.

To ensure the best interests of COS and shareholders are served, the Board of Directors is looking at a full range of strategic alternatives, from continuing as an independent company, to a merger or partnership with a strategic or financial partner, to a sale reflecting full and fair value for Canadian Oil Sands' shareholders.

The Board of Directors and management of COS will not tender to the Suncor bid, and we strongly recommend that all shareholders join us in rejecting this undervalued, opportunistic and exploitive bid.

Additional information can be found on the company's website at www.rejectsuncor.ca. The website includes Canadian Oil Sands' Director's Circular dated October 19, 2015, which has also been sent to all COS shareholders.

Further questions or requests for information related to the Suncor hostile bid should be directed to Kingsdale Shareholder

Services, North America toll free at 1-866-851-3215; or via email at contactus@kingsdaleshareholder.com.

2015 Outlook

- On October 19, 2015, COS revised its Syncrude production range to between 92 and 97 million barrels with a single-point estimate of 95 million barrels.
- Estimated 2015 operating expenses decreased to $1,416 million, or $40.56 per barrel, and estimated 2015 capital expenditures decreased to $368 million. Syncrude is now targeting cost reductions of $1.3 billion ($488 million net to COS) in 2015, having achieved $1 billion in savings in the first nine months of 2015.
- Our estimate of cash flow from operations decreased to $340 million, or $0.70 per Share, mainly reflecting lower assumed production and realized SCO selling price, partially offset by lower estimated operating and capital costs.
- The estimated 2015 realized SCO selling price was decreased to approximately $62 per barrel, reflecting a U.S.$50 per barrel WTI oil price, a $0.79 $US/$Cdn foreign exchange rate, and a $1.25 per barrel SCO discount to WTI.

Canadian Oil Sands expects to release its budget for 2016 in early December, which will include an outlook for Syncrude production and costs.

(millions of Canadian dollars, except volume and per barrel amounts)	As of October 19, 2015	As of July 30, 2
Operating assumptions		
Syncrude production (mmbbls)	95	103
Canadian Oil Sands sales (mmbbls)	34.9	37.8
Sales, net of crude oil purchases and transportation	$ 2,165	$ 2,488
Realized SCO selling price ($/bbl)	$ 62.03	$ 65.75
Operating expenses	$ 1,416	$ 1,497
Operating expenses per barrel	$ 40.56	$ 39.56
Development expenses	$ 98	$ 138
Crown royalties	$ 129	$ 176
Current taxes	$ -	$ 30
Cash flow from operations[1, 2]	$ 340	$ 474
Capital expenditure assumptions		
Major projects	$ 66	$ 87
Regular maintenance	$ 258	$ 294
Capitalized interest	$ 44	$ 41
Total capital expenditures	$ 368	$ 422
Business environment assumptions		
Sales weighted average WTI crude oil (USD/bbl)	$ 50.00	$ 55.00
Sales weighted average premium/discount to CAD WTI ($/bbl)	$ (1.25)	$ (3.00
Sales weighted average foreign exchange rate (CAD: USD)	$ 0.79	$ 0.80
Sales weighted average AECO natural gas (CAD/GJ)	$ 2.75	$ 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 $20 million of Crown royalties which were expensed in prior ye 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 October 19, 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, this press release contains forward-looking information and statements (collectively, "forward-looking statements") under applicable securities law. Forward-looking statements are often, but not always, 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: Canadian Oil Sands' future cash flow; all expectations regarding dividends; all expectations regarding net debt; all expectations regarding the Corporation's liquidity; the 2015 annual Syncrude production range of 92 million barrels to 97 million barrels and the Corporation's 2015 guidance assumption of 95 million barrels (34.9 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; 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; and the Board's strategic alternatives evaluation process.

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 statements are 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 October 19, 2015 and as subsequently amended or replaced from time to time, including without limitation, the assumptions as to production, operating expenses, capital expenditures and oil prices; the successful and timely implementation of capital and maintenance projects; Syncrude's business and spending plans; the ability to obtain regulatory and Syncrude joint venture owner approval; the continuation of assumed tax, royalty and other legislative 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 of the anticipated Syncrude cost reductions not materializing; the impact that pipeline capacity and apportionment and refinery demand have on prices for SCO and the ability to deliver SCO; the impacts of legislative and 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; 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 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 October 29, 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 Third Quarter MD&A which is available on the Corporation's website at www.cdnoilsands.com.

Canadian Oil Sands Ltd.
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