

- *Suncor's attempt to ram through its bid by challenging COS' Shareholder Rights Plan and issuing a letter to scare shareholders expose Suncor's recognition that its substantially undervalued bid is being widely rejected*
- *Suncor has underestimated the resolve of COS shareholders and their confidence in the future of a strong independent COS*
- *To reject the substantially undervalued, opportunistic and exploitive Suncor bid shareholders should take no action*

[Canadian Oil Sands Ltd.](#) (TSX: COS) (OTCQX: COSWF) ("COS" or "Canadian Oil Sands") declares the latest letter from [Suncor Energy Inc.](#) ("Suncor") for what it is: A desperate attempt to scare shareholders into tendering and mask the deficiencies of Suncor's substantially undervalued bid.

"Fearmongering will not breathe life into a dead offer," said Ryan Kubik, CEO of Canadian Oil Sands. "If Suncor had confidence in the merits of its bid, it wouldn't be trying to ram it through by challenging our Shareholder Rights Plan. It would not need to try to steal time for a decision from our shareholders. Suncor is clearly not listening when our shareholders tell them the same thing they are saying to us -- this bid won't fly. Shareholders don't need to do anything to reject this unwelcome and underwhelming bid. In fact, save yourself the time and hang up when Suncor or one of its paid brokers call."

Kubik noted Suncor's position is inconsistent in that it is trashing Syncrude and COS at every turn yet desperately trying to scare and mislead shareholders into an urgent sale. In addition, in his open letter to COS' shareholders, Steve Williams incorrectly describes the terms of his own offer, leaving shareholders with the impression there is only one time to tender. He knows that is simply not true and those are coercive tactics.

"While Suncor uses fear and intimidation to pressure our shareholders, COS's Board is working for shareholders by giving them more time through the Shareholder Rights Plan and conducting a thorough evaluation of alternatives to surface better value," said Donald Lowry, Chairman of Canadian Oil Sands. "Those higher-value alternatives range from a superior offer to remaining an independent company."

The facts about Suncor's undervalued, opportunistic and exploitive offer that have shareholders saying "no thanks":

1. Timing of the Suncor bid is entirely opportunistic. The bid is intended to take advantage of COS shareholders during unprecedented conditions in the energy industry.
2. The bid is exploitive. As an insider to the Syncrude joint venture, Suncor is aware of 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 can be recognized and valued by the market. COS has already noted significant, non-disclosed discussions around one of Syncrude's undeveloped leases that would solve Suncor's significant capital requirements needed to sustain its current mining operations. This is just one example of the value Suncor fails to recognize in their bid.
3. The bid is less than what Suncor has demonstrated it is willing to pay for inferior assets with less value. The Suncor bid represents less value than its recent increase of its interest in the Fort Hills project at what it called a "discount". Fort Hills is at least two years away from starting operations and has no upgrader. Despite Suncor's continuing investment in this asset, its partners are recording large impairments and Suncor has needed to add significant financial statement disclosures to merely justify the carrying value of this asset. Syncrude has no such challenges, is fully operational and has an upgrader. COS shareholders helped pay for the highly profitable Syncrude upgrader and are now being asked to give it away for free.
4. The future of Canadian Oil Sands is strong. 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. As recently demonstrated in COS' third quarter results, Syncrude is entering a new era of lower cost operations, COS can remain resilient through this period of low oil prices and even a modest improvement in oil prices will generate strong expansion of cash flow. The cash-generating power of Syncrude has been proven in the \$7.9 billion, or \$17 per share, that COS has paid in dividends since 2001.
5. Suncor wants to take value out of your pocket and put it into theirs. COS has demonstrated a 98% correlation to oil prices and has gained over twice as much as Suncor's on days when energy stocks rise.

"If it represented good value, Suncor's offer would sell itself. If Suncor believed in the merits of its bid it wouldn't need to resort to paying brokers a \$1500 bounty to pursue COS shareholders," Kubik added. "COS shareholders have done the hard work of developing Syncrude and stuck with us as the market has cycled down; they deserve to benefit from a lower-cost business and recovery in the price of oil in a way Suncor can't provide. Our shareholders bought COS knowing it was levered to the price of oil, has 46 years of reserves and a strong dividend track record. The principles on which they made their investment decision remain sound."

To REJECT the Suncor bid, simply TAKE NO ACTION.  
Do not tender your shares of Canadian Oil Sands Limited.

For further information, please visit our website at [www.rejectsuncor.ca](http://www.rejectsuncor.ca) or contact our information agent, Kingsdale Shareholder Services at 1-866-851-3215 or [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com)

How to Withdraw Tendered Shares:

Shareholders with questions about the offer or who have tendered their COS shares to the Suncor offer and wish to withdraw them can do so by contacting their broker or COS' information agent and advisor, Kingsdale Shareholder Services at 1-866-851-3215 or [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

Ticker Symbols  
Toronto Stock Exchange: COS  
OTCQX: COSWF

Canadian Oil Sands Limited

COS holds a 36.74 percent interest in the Syncrude project, the largest producer of light, sweet synthetic oil from Canada's oil sands. As a pure play in Syncrude, COS provides investors with long-life, light crude oil exposure and since 2001 has paid dividends totaling \$7.9 billion.

For more information please visit [www.rejectsuncor.ca](http://www.rejectsuncor.ca)

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