

HONG KONG, CHINA and CALGARY, ALBERTA--(Marketwired - Feb 28, 2017) - The Board of Directors of [Sunshine Oilsands Ltd.](#) ("the Corporation" or "Sunshine") (HKSE:2012) hereby announces the following:

WEST ELLS PHASE I PROJECT ACHIEVED COMMERCIAL PRODUCTION AND CEASE OF CAPITALIZATION

On March 1, 2017 (Hong Kong Time) / February 28, 2017 (Calgary Time), the Corporation is pleased to announce that the West Ells Phase I project ("the Project") located in the Athabasca region of Alberta has achieved commercial production on March 1, 2017 (Hong Kong Time) / February 28, 2017 (Calgary Time). This marks a key milestone for the Corporation, following which the Project will be treated as a fully operational project.

As at the date of this announcement, the Project has met the following criteria to be qualified as a commercialized project:

- The formation has been steaming for more than one year.
- All of the 8 well pairs have been in SAGD production for a certain period of time.
- The plant has been operating in the manner as intended by the management.
- The project is now running at approximately 60% of its nameplate capacity.

Hence, the Corporation will cease capitalization of the petroleum revenue, royalties, diluent costs, transportation costs and operating expenses in relation to the Project and will commence recording depletion of the Project under IFRS effective March 1, 2017. These amounts will then be included in the Statement of Operations and Comprehensive Loss.

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 of Alberta, Canada. 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 rate of 5,000 barrels per day.

FORWARD-LOOKING INFORMATION

This announcement contains forward-looking information relating to, among other things, (a) the future financial performance and objectives of Sunshine; and (b) 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 Sunshine's experience, current beliefs, assumptions, information and perception of historical trends available to Sunshine, 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 Sunshine 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. Sunshine 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, 2015 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 the Corporation's website at www.sunshineoilsands.com.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of [Sunshine Oilsands Ltd.](#)

(a corporation incorporated under the Business Corporations Act of the Province of Alberta, Canada with limited liability)

(HKSE:2012)

This announcement is made in accordance with the Inside Information Provision under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

By Order of the Board of [Sunshine Oilsands Ltd.](#)

Sun Kwok Ping
Executive Chairman

Hong Kong, March 1, 2017
Calgary, February 28, 2017

As at the date of this announcement, the Board consists of Mr. Kwok Ping Sun, Mr. Hong Luo, Dr. Qi Jiang and Mr. Qiping Men as executive directors; Mr. Michael John Hibberd, Mr. Jianzhong Chen and Ms. Xijuan Jiang as non- executive directors; and Mr. Raymond Shengti Fong, Mr. Gerald Franklin Stevenson, Ms. Joanne Yan and Mr. Yi He as independent non-executive directors.

** For identification purposes only*

Contact

Mr. Hong Luo
Chief Executive Officer
(1) 403-984-1450
investorrelations@sunshineoilsands.com
www.sunshineoilsands.com