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阳光油砂
SUNSHINE OILSANDS LTD.

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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)

(HKEX: 2012)

MEMORANDUM OF UNDERSTANDING

for potential acquisition of equity interest in a wholly-owned subsidiary of

Nobao Energy Holding (China) Company Limited

This announcement is made by the Board of Directors (the “**Board**”) of Sunshine Oilsands Limited (“**Sunshine**” or the “**Corporation**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

By Order of the Board of Sunshine Oilsands Ltd.

Kwok Ping Sun
Executive Chairman

Hong Kong, June 3, 2024

Calgary, June 2, 2024

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, Ms. Jue Pang and Mr. Guangzhong Xing as independent non-executive directors.

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**For identification purposes only*

Hong Kong (June 3, 2024) and **Calgary, Alberta** (June 2, 2024) - The Board of Directors (the "Board") of **Sunshine Oilsands Ltd.** (the "Corporation" or "Sunshine") (**HKEX: 2012**) announces the following:

Memorandum of Understanding for Potential Acquisition of equity interest in a wholly-owned subsidiary of Nobao Energy Holding (China) Company Limited

The Corporation has entered into a non-binding memorandum of understanding (the "MOU") with Nobao Energy Holding (China) Company Limited ("**Nobao Energy China**") in relation to a potential acquisition of equity interest in a wholly-owned subsidiary (the "**Target Company**") of Nobao Energy China (the "**Potential Acquisition**"). The Target Company is a company registered in Hong Kong.

The consideration to be paid by the Corporation is expected to be the common shares of the Corporation. The consideration to be paid has not yet been determined. Other than the parties' obligations in relation to announcements, confidentiality, applicable law and legal jurisdiction, as well as costs and expenses, the MOU is not legally binding.

Conditions to the Potential Acquisition

The Potential Acquisition is subject to the completion of mutually acceptable definitive and legally binding documentation including a share purchase agreement. It is anticipated that the definitive documentation will contain industry standard and customary representations, warranties, indemnities and covenants.

In addition, the Potential Acquisition is expected to be subject to, among other things, the satisfaction of the following conditions:

- (1) completion of satisfactory due diligence of the Target Company by Sunshine;
- (2) completion of a satisfactory formal valuation of the Target Company by Sunshine;
- (3) the approval of the Potential Acquisition by the Sunshine's independent board committee and independent shareholders, as required by the Listing Rules;
- (4) obtaining all necessary government and regulatory consents and approvals including, if necessary, the consent of The Stock Exchange of Hong Kong Limited (the "**SEHK**") and, where applicable, The Securities and Futures Commission;
- (5) obtaining all other necessary consents regarding the Potential Acquisition from relevant third parties; and
- (6) receipt by Sunshine of a fairness opinion from an independent financial adviser.

Background and Anticipated Benefits of the Potential Acquisition

Nobao Energy China utilizes leading technologies in the shallow ground source heat pump (GSHP) in its business as opposed to conventional energy and heat generation through combustion of coal or natural gas. Nobao Energy China provides green heating and cooling services to its customers in the Northern China by integrating technology, investment, construction and energy management with an aim to achieve energy conservation and environmental protection. According to the information available to the Corporation, Nobao Energy China is a one of the leading suppliers and developers of renewable, clean energy technologies that are strongly supported and encouraged by the government in China. The Corporation understands that the Nobao Energy China has significantly expanded its business in multiple cities in China over the last 10+ years.

The Target Company possesses leading technology for operation and intelligent management of shallow GSHP central heating and cooling projects. Upon completion of the Potential Acquisition, such technology is expected to be applicable to the Corporation's oil production in Canada. With the new strategic cooperation between the two parties, it infuses clean energy elements into the Corporation's traditional energy business and greatly improves the Corporation's current mining technology and thus future cost efficiencies. The Target Company has a number of long-term energy operation and management contracts with stable revenue and cash flow. Upon completion of the Potential Acquisition, the Corporation's financial profile including revenue and cash flow, etc. could be substantially improved.

The above-mentioned technology held by the Target Company is expected to have a revolutionary impact on the traditional oilsands mining methods in the North American market and enhance the Corporation's future competitiveness in North American market. In addition, with the completion of the Potential Acquisition, the Corporation is expected to see a comprehensive change from currently one core business to a dual core (traditional and renewable energy) business, bringing new business growth to the Corporation.

SEHK Listing Rules Implications

If the Board decides to pursue the Potential Acquisition, the Corporation will work to finalize the definitive and legally binding documentation referred to above. The Potential Acquisition is expected to constitute a "major transaction" for the Corporation under Chapter 14 of the Listing Rules.

Mr. Sun Kwok Ping is the controlling shareholder of Nobao Energy China. Since he is also a substantial shareholder, a Board member and the Executive Chairman of the Corporation, Nobao Energy China is a connected person of the Corporation under the Listing Rules. Therefore, the Potential Acquisition is expected to constitute a connected transaction of the Corporation under Chapter 14A of the Listing Rules, which is subject to approval of the independent board committee and the independent shareholders of the Corporation.

If the Potential Acquisition proceeds, the Corporation will publish further announcements and carry out all the necessary compliance matters required by the Listing Rules including obtaining approval from the independent board committee and independent shareholders of the Corporation.

Shareholders and potential investors should note that the Potential Acquisition is subject to the fulfillment of a number of conditions and the entering into the final and legally binding documentation. No assurance can be given and there is no guarantee that the Potential Acquisition will be completed. Shareholders and potential investors should exercise caution when trading in shares of the Corporation.

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 and heavy oil leases in the Athabasca oil sands region. The Corporation owns interests in oil sands and petroleum and natural gas leases in the Athabasca region of Alberta. The Corporation is currently focused on executing milestone undertakings in the West Ells project area. West Ells Phase 1 is operational and 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, (a) the future financial performance and objectives of Sunshine; (b) the plans and expectations of the Corporation; and (c) the anticipated closings of the current private placements and the timing thereof. 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”, “Possible”, 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 at 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 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's website at www.hkexnews.hk or the Corporation's website at www.sunshineoilsands.com.