

REJECT

**SUNCOR'S
HOSTILE
OFFER BY
DOING
NOTHING.**

**FOR INFORMATION ON REJECTING SUNCOR'S HOSTILE OFFER CONTACT
KINGSDALE SHAREHOLDER SERVICES AT 1-866-851-3251**



Canadian Oil Sands

“The oil price collapse has caused some companies to become... opportunities in 'fire sales' that didn't exist six months ago.”

-- Steve Williams, President & CEO of Suncor, September 9, 2015
Barclays Energy Conference as reported in the National Post

“Our long-term expectation is for an average oil price in the \$90 to \$100 range, but we fully expect that from time to time, the global supply-demand situation will drive the price well outside that envelope...”

-- Steve Williams, President & CEO of Suncor, Bloomberg, November 27,
2014

October 19, 2015

REJECT THE SUBSTANTIALLY UNDERVALUED AND OPPORTUNISTIC SUNCOR BID

Dear Fellow Shareholder,

On October 5, 2015, Suncor Energy Inc. (**Suncor**) announced it was making an offer to acquire all the common shares of Canadian Oil Sands Limited (**COS**) on the basis of 0.25 of a Suncor share for each share of COS.

Your Board of Directors 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 your 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.

Your Board of Directors Unanimously Recommends you REJECT the Suncor Bid.
--

We have fifteen compelling reasons for recommending **REJECTION** that are described in the attached Directors' Circular which we encourage you to review. To summarize some of them:

The Suncor bid substantially undervalues COS' unique strategic assets.

- COS owns 36.74% of the Syncrude joint venture, one of the largest oil sands operations in the Athabasca region. Syncrude has among the highest quality mining leases and borders every existing and under-construction oil sands mining project in the area.
- Syncrude production and reserves are fully integrated with an upgrader that produces 100% synthetic crude oil (**SCO**), which has historically achieved prices very close to Canadian dollar West Texas Intermediate (**WTI**) oil.
- COS is the only "pure play" public investment vehicle in Syncrude.
- Through its bid, Suncor is attempting to add COS' proved and probable reserves and 46 year production life without paying a fair price.
- If the Suncor bid is successful, total reserves attributable to COS shareholders will decline by 55%, from 1.6 billion barrels of reserves to 0.7 billion barrels, and annual production benefiting COS shareholders will decline by 46%, from 35 million barrels to 19 million barrels.

- The inherent value and synergies of Syncrude's assets and the potential to acquire operational control of Syncrude are not reflected in Suncor's bid.

The Suncor bid does not account for COS' superior leverage to oil prices.

- COS' share price moves in tandem with the price of WTI, the nearest equivalent to Syncrude's SCO. In fact, between January 2014 and September 2015, COS' share price had a 98% correlation with WTI spot prices, compared with just a 66% correlation for Suncor's shares. This means that COS shares are expected to gain significantly more from an expected recovery in oil prices than Suncor shares.
- From January 1, 2015 to October 2, 2015, COS shares have increased more than two and a half times as much as Suncor's on days when energy stocks rose.
- The Suncor bid does not reflect any possible increase in oil prices when, in fact, Suncor management itself has stated that its long-term expectation is for an average oil price in the \$90 to \$100 per barrel range. At that range, COS shares have historically traded around \$20 to \$30 a share – an approximate 117% to 225% premium to the current implied value of the Suncor bid.
- Even a modest improvement in WTI prices from current levels to US\$65, would be expected to increase COS free cash flow to about \$0.90 a share, significantly increasing COS' ability to pay dividends. COS has paid about \$17 per share in dividends since 2001, when over the same period, WTI averaged approximately US\$65 a barrel.
- Due to COS' declining cost base and high correlation to oil prices, any recovery in oil prices should benefit COS shareholders more than Suncor shareholders.

The Suncor bid represents less value than Suncor's recent "discounted" Fort Hills acquisition.

- Suncor has stated that its acquisition of an additional 10% interest in the Fort Hills Project (which neighbours Syncrude) for approximately \$56,000 per barrel per day of production was at a "discounted price". However, two weeks later, it offered to buy COS for an implied price of just \$54,000 per barrel per day – a discount on a discount.
- Fort Hills is at least two years away from starting operations and has no upgrader. Syncrude is fully operational and has an upgrader. The Suncor bid provides no value for either advantage.
- COS shareholders helped pay for the highly profitable Syncrude upgrader and are now being asked to give it away for free.

The Suncor bid is highly opportunistic.

- The Suncor bid is designed to take advantage of unprecedented political, economic and regulatory uncertainty in the industry and the dramatic deterioration in the price of COS common shares. It is no coincidence that the bid was made within six weeks of COS shares trading at their lowest price in 15 years.
- At 0.25 of a Suncor share for each COS share, the bid offers even less than the 0.32 of a share Suncor proposed in April. That proposal was below the market price of COS shares when it was rejected.

Through its interest in the Syncrude joint venture, Suncor has an informational advantage over the market and COS shareholders.

- Suncor has access to information about operating changes, cost reductions and capital spending plans at the Syncrude joint venture.

- Suncor is aware of these and other 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.

COS is strongly positioned to withstand low oil prices and emerge with even greater value when oil prices recover.

- COS has positive free cash flow at current WTI prices and is just beginning to benefit from operating cost reductions and the recent completion of major projects capital investment.
- COS has financial flexibility with a 37% long-term debt to total capitalization ratio and most of a \$1.5 billion credit facility still available.

The Suncor bid is a very weak and undervalued alternative for COS shareholders.

- It offers less value than the current market price. What's more, the value of the Suncor bid is uncertain since it depends on the price of Suncor shares. It is also conditional and allows Suncor to walk away at any time.
- The bid is opposed by major COS shareholders who have publicly stated they will not tender to the offer.

The Board of COS and its advisors continue to examine strategic alternatives.

- To ensure the best interests of COS and shareholders are served, the Board 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 COS.

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

The Board and management of COS will not tender to the Suncor bid. Major shareholders have stated they will not tender. We strongly recommend you join us in rejecting this undervalued, opportunistic and exploitive bid.

Sincerely,



Donald J. Lowry
Chairman of the Board
Canadian Oil Sands Limited



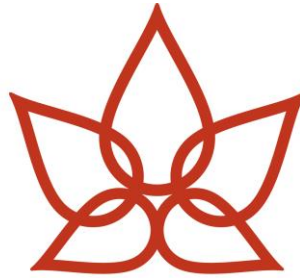
Arthur N. Korpach
Director & Chair, Audit Committee
Canadian Oil Sands Limited

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 or contact our information agent, Kingsdale Shareholder Services at 1-866-851-3215 or contactus@kingsdaleshareholder.com

This document is important and requires your immediate attention. If you are in doubt as to how to respond to the Suncor Offer, you should consult your investment dealer, stockbroker, lawyer or other professional advisor.



Canadian Oil Sands

DIRECTORS' CIRCULAR

RECOMMENDING

REJECTION

OF THE UNSOLICITED OFFER BY

SUNCOR ENERGY INC.

TO PURCHASE ALL OF THE OUTSTANDING COMMON SHARES OF

CANADIAN OIL SANDS LIMITED

FOR 0.25 OF A COMMON SHARE OF SUNCOR PER SHARE

THE BOARD OF DIRECTORS OF CANADIAN OIL SANDS UNANIMOUSLY CONCLUDED THAT THE SUNCOR OFFER IS SUBSTANTIALLY UNDERVALUED AND NOT IN THE BEST INTERESTS OF CANADIAN OIL SANDS OR ITS SHAREHOLDERS AND UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS

REJECT

THE SUNCOR OFFER AND NOT TENDER THEIR COMMON SHARES TO THE SUNCOR OFFER

NO ACTION IS REQUIRED TO REJECT THE SUNCOR OFFER

ANY SHAREHOLDER WHO HAS TENDERED HIS OR HER COMMON SHARES SHOULD WITHDRAW THOSE COMMON SHARES

October 19, 2015

SUMMARY

The information set out below is intended to be a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Directors' Circular. All capitalized terms in the summary have the meanings ascribed to such terms in the Glossary attached as Schedule A to this Directors' Circular and elsewhere in this Directors' Circular.

Unanimous Recommendation of the Board of Directors:

The Board of Directors unanimously recommends that Shareholders **REJECT** the Suncor Offer, **TAKE NO ACTION** and **NOT TENDER** their Common Shares to the Suncor Offer.

Reasons for Rejection:

The Board of Directors has carefully reviewed and considered the Suncor Offer, with the benefit of advice from Canadian Oil Sands' external financial and legal advisors. The following is a summary of the principal reasons for the unanimous recommendation of the Board of Directors to Shareholders that they **REJECT** the Suncor Offer, **TAKE NO ACTION** and **NOT TENDER** their Common Shares to the Suncor Offer.

- The Suncor Offer substantially undervalues the strategic value of Canadian Oil Sands' assets.
- The Suncor Offer deprives Shareholders of the significant leverage to oil prices afforded by an investment in Canadian Oil Sands.
- The Suncor Offer is substantially undervalued in relation to Suncor's recent acquisition of an additional interest in the neighbouring Fort Hills Project, which is a non-producing asset without an upgrader.
- The Suncor Offer is highly opportunistic and has been timed to deprive Shareholders of the full and fair value of their Common Shares.
- Suncor has an informational advantage as a result of its participation in the Syncrude Joint Venture and the timing and structure of its offer unfairly disadvantages Shareholders.
- Canadian Oil Sands' balance sheet and Syncrude's revised cost structure can endure sustained low oil prices.
- The Common Shares are trading above the \$9.22 price implied by the Suncor Offer.
- Major institutional investors have stated that the Suncor Offer is inadequate.
- Superior alternatives delivering superior value for Shareholders may emerge.
- Suncor has failed to provide adequate disclosure that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Suncor Offer.
- The value of the consideration under the Suncor Offer is uncertain and

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

entirely dependent on the value of the Suncor shares.

- Canadian Oil Sands' financial advisor has delivered a written opinion that the Suncor Offer is inadequate.
- Suncor's common shares contain ownership and transfer restrictions that prejudice Shareholders.
- The Suncor Offer provides insufficient time to properly consider any take-over bid made for Canadian Oil Sands.
- The Suncor Offer is conditional and has substantial completion risk.

The Suncor Offer:

Suncor has offered to purchase all of the outstanding Common Shares and any associated rights issued under the Existing Shareholder Rights Plan for 0.25 of a common share of Suncor for each Common Share.

As the Suncor Offer is open for acceptance until 5:00 p.m. (Calgary time) on December 4, 2015, there is no need for Shareholders to take any action with respect to the Suncor Offer at this time. Shareholders who have tendered Common Shares to the Suncor Offer and who wish to obtain advice or assistance in withdrawing their Common Shares are urged to contact their broker or Kingsdale, the information agent and strategic shareholder services advisor retained by Canadian Oil Sands, at 1-866-851-3215 or contactus@kingsdaleshareholder.com.

The Suncor Offer is not a "Permitted Bid" as defined in the New Shareholder Rights Plan.

Response to the Suncor Offer:

The Board of Directors has been working, together with Canadian Oil Sands' management and external financial and legal advisors, to consider and evaluate its existing business plan and developments and plans relating to Syncrude which could result in a material increase in the cash flows and profitability of Syncrude and, as a result, Canadian Oil Sands.

The Board has adopted the New Shareholder Rights Plan to ensure that, given the context in which Suncor has made its unsolicited offer, Shareholders and the Board of Directors have adequate time to, among other things, review, consider and evaluate the Suncor Offer and any other unsolicited take-over bid or other strategic alternatives.

Tendering Common Shares to the Suncor Offer before the Board of Directors, Canadian Oil Sands and their advisors have had an opportunity to fully explore all available alternatives to the Suncor Offer will limit the Board's ability to evaluate strategic alternatives and may preclude the possibility of a financially superior alternative transaction emerging.

Rejection of the Suncor Offer by Directors and Officers:

All of the directors and officers of Canadian Oil Sands have informed Canadian Oil Sands that they will reject the Suncor Offer, take no action and not tender their Common Shares to the Suncor Offer.

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

QUESTIONS AND ANSWERS ABOUT THE INADEQUATE SUNCOR OFFER

Should I accept or reject the Suncor Offer?

Your Board of Directors **UNANIMOUSLY** recommends that you **REJECT** the Suncor Offer, **TAKE NO ACTION** and **NOT TENDER** your Common Shares. Each of Canadian Oil Sands' directors has indicated his or her intention to **NOT** accept the Suncor offer.

Why should I reject the Suncor Offer?

The Board of Directors has unanimously rejected the Suncor Offer and unanimously recommends that you reject the Suncor Offer for the following reasons:

1. The Suncor Offer substantially undervalues the strategic value of Canadian Oil Sands' assets.
2. The Suncor Offer deprives Shareholders of the significant leverage to oil prices afforded by an investment in Canadian Oil Sands.
3. The Suncor Offer is substantially undervalued in relation to Suncor's recent acquisition of an additional interest in the neighbouring Fort Hills Project, which is a non-producing asset without an upgrader.
4. The Suncor Offer is highly opportunistic and has been timed to deprive Shareholders of the full and fair value of their Common Shares.
5. Suncor has an informational advantage as a result of its participation in the Syncrude Joint Venture and the timing and structure of its offer unfairly disadvantages Shareholders.
6. Canadian Oil Sands' balance sheet and Syncrude's revised cost structure can endure sustained low oil prices.
7. The Common Shares are trading above the \$9.22 price implied by the Suncor Offer.
8. Major institutional investors have stated that the Suncor Offer is inadequate.
9. Superior alternatives delivering superior value for Shareholders may emerge.
10. Suncor has failed to provide adequate disclosure that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Suncor Offer.
11. The value of the consideration under the Suncor Offer is uncertain and entirely dependent on the value of the Suncor shares.
12. Canadian Oil Sands' financial advisor has delivered a written opinion that the Suncor Offer is inadequate.
13. Suncor's common shares contain ownership and transfer restrictions that prejudice Shareholders.
14. The Suncor Offer provides insufficient time to properly consider any take-over bid made for Canadian Oil Sands.

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

15. The Suncor Offer is conditional and has substantial completion risk.

A summary of all of the reasons for the unanimous recommendation of the Board of Directors is included on pages 6 to 18 of this Directors' Circular.

How do I reject the Suncor Offer?

You do not need to do anything. **TAKE NO ACTION** and **DO NOT TENDER** your Common Shares.

Can I withdraw my Common Shares if I have already tendered?

YES. According to the Suncor Circular, you can withdraw your Common Shares at any time before your Common Shares have been taken up and paid for by Suncor.

How do I withdraw my Common Shares?

We recommend you contact your broker or Kingsdale, the information agent and strategic shareholder services advisor retained by Canadian Oil Sands, at 1-866-851-3215 or contactus@kingsdaleshareholder.com for information on how to withdraw your Common Shares. Please see page 24 of this Director's Circular for additional information on how to withdraw your Common Shares.

If you have already tendered Common Shares to the Suncor Offer and you decide to withdraw these Common Shares from the Suncor Offer, you must allow sufficient time to complete the withdrawal process prior to the expiry of the Suncor Offer.

What is the Board of Directors doing in response to the Suncor Offer?

The Board of Directors, together with Canadian Oil Sands' management and external financial and legal advisors, carefully considered all aspects of the Suncor Offer. The Board of Directors has adopted the New Shareholder Rights Plan having regard for the unique circumstances in which the Suncor Offer was made, which involve historically low and volatile oil prices, significant political, economic and industry uncertainty, and ongoing review of royalty and environmental considerations of particular relevance to Canadian Oil Sands, and an informational imbalance arising from the fact that Suncor, as a member of the Syncrude Joint Venture, at the time of making the Suncor Offer had the benefit of undisclosed important information about substantial reductions in the operating costs and capital expenditures for the Syncrude Joint Venture the early results of which are not expected to be publicly disclosed until after a review by Syncrude owners at meetings around or after the expiry date of the Suncor Offer. The New Shareholder Rights Plan is designed to ensure, among other things, that Shareholders and the Board of Directors have adequate time to consider the Suncor Offer and any other unsolicited take-over bid, and that the Board has adequate time to review, consider and evaluate its existing business plan and potential value-enhancing and strategic alternatives which could be pursued with Syncrude or independently by Canadian Oil Sands, particularly in light of the expected timing for public disclosure by Canadian Oil Sands of information derived from any update to Syncrude's 2015 budget and outlook for 2016. In addition to considering and evaluating its existing business plan, the Board intends to evaluate a range of strategic alternatives aimed at enhancing Shareholder value, including contacting third parties which could be interested in a potential strategic transaction with Canadian Oil Sands offering substantially higher value than the Suncor Offer.

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

Are the directors and officers of Canadian Oil Sands planning to tender their Common Shares to the Suncor Offer?

All of the directors and officers of Canadian Oil Sands have indicated their intention to **NOT** tender their Common Shares to the Suncor Offer, which the Board of Directors views as being substantially undervalued.

My broker advised me to tender my Common Shares. Should I?

NO. The Board of Directors has unanimously recommended that Shareholders **REJECT** the Suncor Offer, **TAKE NO ACTION** and **NOT TENDER** their Common Shares. A summary of all of the reasons for the unanimous recommendation of the Board of Directors is included on pages 6 to 18 of this Directors' Circular.

Is this a "hostile" take-over bid?

YES. In a friendly take-over, the two companies work together to come to an agreement that would enhance shareholder value. Suncor, however, initiated its offer without the support of Canadian Oil Sands. Given this, the Suncor Offer should be considered a hostile offer, and the Board of Directors has been working, together with Canadian Oil Sands' external financial and legal advisors, to develop, review and evaluate a range of strategic alternatives consistent with Canadian Oil Sands' focus on maximizing value to Shareholders with the current business plan or other alternatives offering full and fair value at substantially higher value than the Suncor Offer.

Will Suncor increase its Offer?

Canadian Oil Sands does not know if Suncor will increase the Suncor Offer. However, the Board of Directors believes that the Suncor Offer substantially undervalues Canadian Oil Sands and is opportunistic.

Will I have protections if Suncor buys more than 66% of Canadian Oil Sands and I don't sell?

YES. In Canada, applicable corporate law contains protections for minority Shareholders, including the right, in certain circumstances, to dissent and demand payment of the fair value of their Common Shares.

Do I have to decide now?

NO. You do not have to take any action at this time. The Suncor Offer is scheduled to expire on December 4, 2015 and is subject to a number of conditions that have yet to be satisfied. Given that the Board of Directors is considering a range of strategic alternatives consistent with Canadian Oil Sands' focus on maximizing value for the Shareholders, the Board of Directors **recommends that you not take any action** until closer to the expiry date of the Suncor Offer to ensure that you are able to consider all of the options available to you.

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

Who do I ask if I have more questions?

Your Board of Directors recommends that you read the information contained in this Directors' Circular. Please contact Kingsdale, the information agent and strategic shareholder services advisor retained by Canadian Oil Sands, with any questions or requests for assistance that you might have.



Exchange Tower
130 King Street West, Suite 2950
P.O. Box 361
Toronto, ON M5X 1E2

Telephone: 416-867-2272
Fax: 416-867-2271 or Toll Free Fax: 1-866-545-5580
E-mail: contactus@kingsdaleshareholder.com
Toll free: 1-866-851-3215

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

TABLE OF CONTENTS

SUMMARY	i
QUESTIONS AND ANSWERS ABOUT THE INADEQUATE SUNCOR OFFER.....	iii
FORWARD-LOOKING STATEMENTS	2
NOTICE TO NON-CANADIAN SHAREHOLDERS	3
OIL AND GAS INFORMATION	3
CURRENCY AND EXCHANGE RATE INFORMATION	4
INFORMATION REGARDING SUNCOR.....	4
USE OF CERTAIN NON-GAAP AND ADDITIONAL GAAP MEASURES	4
UNANIMOUS RECOMMENDATION OF THE BOARD OF DIRECTORS	6
ANALYSIS AND REASONS FOR REJECTING THE SUNCOR OFFER	6
INTENTIONS WITH RESPECT TO THE SUNCOR OFFER.....	19
BACKGROUND TO THE SUNCOR OFFER AND RESPONSE OF CANADIAN OIL SANDS	19
UPDATED GUIDANCE	23
OPINION OF RBC CAPITAL MARKETS, FINANCIAL ADVISOR TO CANADIAN OIL SANDS	23
HOW TO WITHDRAW YOUR DEPOSITED COMMON SHARES	24
CANADIAN OIL SANDS LIMITED	24
CAPITAL STRUCTURE.....	25
SHAREHOLDER RIGHTS PLANS OF CANADIAN OIL SANDS	25
OWNERSHIP OF SECURITIES OF CANADIAN OIL SANDS	26
PRINCIPAL HOLDERS OF SECURITIES OF CANADIAN OIL SANDS.....	28
TRADING IN SECURITIES OF CANADIAN OIL SANDS.....	29
ISSUANCES OF SECURITIES OF CANADIAN OIL SANDS.....	29
OWNERSHIP OF SUNCOR SECURITIES BY DIRECTORS AND OFFICERS OF CANADIAN OIL SANDS	29
RELATIONSHIP BETWEEN SUNCOR AND DIRECTORS, OFFICERS AND SHAREHOLDERS OF CANADIAN OIL SANDS.....	30
ARRANGEMENTS BETWEEN CANADIAN OIL SANDS AND ITS DIRECTORS AND OFFICERS.....	30
MATERIAL CHANGES IN THE AFFAIRS OF CANADIAN OIL SANDS.....	34
OTHER INFORMATION	35
ALTERNATIVES TO THE SUNCOR OFFER	35
OTHER PERSONS RETAINED IN CONNECTION WITH THE SUNCOR OFFER	35
ADDITIONAL INFORMATION	36
STATUTORY RIGHTS.....	37
APPROVAL OF THE DIRECTORS' CIRCULAR	37
CERTIFICATE.....	38
SCHEDULE A – GLOSSARY	A-1
SCHEDULE B – OPINION OF RBC CAPITAL MARKETS	B-1
SCHEDULE C – SUMMARY OF EXISTING AND NEW SHAREHOLDER RIGHTS PLANS.....	C-1
SCHEDULE D – TRADING IN SECURITIES OF CANADIAN OIL SANDS.....	D-1
SCHEDULE E – ISSUANCES OF SECURITIES OF CANADIAN OIL SANDS	E-1

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

FORWARD-LOOKING STATEMENTS

This Directors' Circular, including the discussion of the reasons for the Board of Directors' unanimous recommendation that Shareholders reject the Suncor Offer and not tender their Common Shares, contains forward-looking information (as defined in the *Securities Act* (Alberta)) and statements (collectively, "forward-looking statements") that are based on expectations, estimates and projections as of the date of this Directors' Circular. These forward-looking statements can often, but not always, be identified by the use of forward-looking terminology such as "plans", "predicts", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Examples of such forward-looking statements in this Directors' Circular include, but are not limited to, Canadian Oil Sands' and Syncrude's expectations for future profitability; expectations regarding Canadian Oil Sands' cash flow from operations; expectations with respect to production, capital expenditures and operating expense reductions at Syncrude; timing for approval of, and public disclosure by Canadian Oil Sands of information derived from, any update to the 2015 budget and 2016 outlook for Syncrude; expectations with respect to dividend payments by Canadian Oil Sands; expectations with respect to Canadian Oil Sands' liquidity; expectations regarding future free cash flow generated by Canadian Oil Sands; the amount of reserves recoverable and the time frame to recover such reserves; future trading prices of the Common Shares; future commodity prices; receipt of government and regulatory approvals; and whether or not an alternative transaction superior to the Suncor Offer may emerge. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Directors' Circular. Forward-looking statements contained in this Directors' Circular are based on a number of assumptions that may prove to be incorrect, including, but not limited to assumptions as to production, operating expenses, capital expenditures and oil prices, the timing and results of regulatory reviews; competitive conditions in the oil and gas industry; general economic conditions; changes in laws, rules and regulations applicable to Canadian Oil Sands and Syncrude; estimates of reserves; Syncrude's business plan; and whether or not an alternative transaction superior to the Suncor Offer may emerge. In addition to being subject to a number of assumptions, forward-looking statements in this Directors' Circular involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to be materially different from those expressed or implied by such forward-looking statements, including, but not limited to: volatility of crude oil prices; volatility of the 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 Canadian Oil Sands' 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 joint venture 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; the variances of stock market activities generally; currency and interest rate fluctuations; volatility of natural gas prices; Canadian Oil Sands' inability to either generate sufficient cash flow from operations to meet its current and future obligations or obtain external sources of debt and equity capital; general economic, business and market conditions; and such other risks and uncertainties identified in the filings by Canadian Oil Sands with the

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

Canadian provincial securities regulatory authorities, including Canadian Oil Sands' annual information form for the fiscal year ended December 31, 2014. Further, dividend payments are determined on a quarterly basis by the Board of Directors in the context of current and expected crude oil prices, economic conditions, Syncrude's operating performance, and Canadian Oil Sands' capacity to finance operating and investing obligations. The Board of Directors believes that the expectations reflected in the forward-looking statements contained in this Directors' Circular are reasonable as at the date hereof, but no assurance can be given that these expectations will prove to be correct. In addition, although Canadian Oil Sands and the Board of Directors have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Accordingly, you should not place undue reliance on any forward-looking statements contained in this Directors' Circular. Except as required by law, neither the Board of Directors nor Canadian Oil Sands undertakes any obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this Directors' Circular are expressly qualified by this cautionary statement.

NOTICE TO NON-CANADIAN SHAREHOLDERS

The Suncor Offer to which this Directors' Circular relates is made for the securities of a Canadian issuer. This Directors' Circular has been prepared by Canadian Oil Sands in accordance with disclosure requirements under applicable Canadian law. Shareholders in the United States and otherwise outside of Canada should be aware that these requirements may be different from those of the United States and other jurisdictions. Canadian Oil Sands prepares its financial statements in accordance with International Financial Reporting Standards, as adopted by the International Accounting Standards Board. These financial statements may not be comparable to financial statements of United States companies and other non-Canadian companies.

It may be difficult for Shareholders in the United States and otherwise outside of Canada to enforce their rights and any claim they may have arising under United States federal securities laws or the securities laws of other non-Canadian jurisdictions since Canadian Oil Sands is incorporated under the laws of the Province of Alberta, all of the officers and directors of Canadian Oil Sands reside in Canada, some of the experts named herein reside in Canada and all or a substantial portion of the assets of Canadian Oil Sands and the other above-mentioned persons are located in Canada. Shareholders in the United States and otherwise outside of Canada may not be able to sue Canadian Oil Sands or its officers or directors in a foreign court for violation of United States federal securities laws or the securities laws of other non-Canadian jurisdictions. It may be difficult to compel such parties to subject themselves to the jurisdiction of a foreign court or to enforce a judgment obtained from a court of the United States or other non-Canadian court's judgment. This transaction and the accompanying Directors' Circular have not been approved or disapproved by any United States or other securities regulatory authority, nor has any such authority passed upon the accuracy or adequacy of the accompanying Directors' Circular.

OIL AND GAS INFORMATION

The securities regulatory authorities in Canada have adopted NI 51-101, which imposes oil and gas disclosure standards for Canadian public issuers engaged in oil and gas activities. NI 51-101 permits oil and gas issuers, in their filings with Canadian securities regulatory authorities, to disclose not only proved, probable and possible reserves but also resources, and to disclose reserves and production on a gross basis before deducting royalties. Probable reserves, possible reserves and resources are of a higher risk and are less likely to be accurately estimated or recovered than proved reserves. Canadian Oil Sands is permitted to disclose reserves in accordance with Canadian securities law requirements and the disclosure included in this Directors' Circular includes reserves

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

designated as probable reserves. The U.S. Securities and Exchange Commission's ("SEC") definitions of proved, probable and possible reserves are different than the definitions contained in NI 51-101; therefore, proved and probable reserves disclosed in this Directors' Circular in compliance with NI 51-101 may not be comparable to United States standards. The SEC requires United States oil and gas reporting companies, in their filings with the SEC, to disclose only proved reserves after the deduction of royalties and production due to others but permits the optional disclosure of probable and possible reserves. Moreover, as permitted by NI 51-101, Canadian Oil Sands has determined and disclosed the net present value of future net revenue from its reserves in its NI 51-101 compliant reserves disclosure using forecast prices and costs. The SEC requires that reserves and related future net revenue be estimated based on historical 12-month average prices, but permits the optional disclosure of revenue estimates based on different price and cost criteria, including standardized future prices or management's own forecasts.

In this Directors' Circular, reference is made to the metrics reserve life index and total volume to bitumen in place. Reserve life index is the ratio of reserves divided by the current annual production rate. Reserve life index is included for Shareholders as a measure of the Corporation's sustainability. Reserve life index does not have any standardized meaning and should not be used to make comparisons. As a result, readers are cautioned as to the reliability of disclosure of reserve life index. Total volume to bitumen in place is the ratio of total volume of material to be excavated (overburden, interburden and ore) to bitumen in place. It indicates the amount of overburden, interburden and ore that must be removed to obtain a given volume of bitumen; however, it is not indicative of the total volume of the ore body nor does it reflect all criteria which relate to assessing the quality of an ore body. Total volume to bitumen in place does not have any standardized meaning and should not be used to make comparisons. As a result, readers are cautioned as to the reliability of disclosure of total volume to bitumen in place.

CURRENCY AND EXCHANGE RATE INFORMATION

All references to dollar amounts contained herein are to Canadian dollars, unless otherwise indicated. On October 16, 2015, the last business day prior to the date of this Directors' Circular, the closing rate of exchange as reported by the Bank of Canada was \$1.00 = US\$0.7745.

INFORMATION REGARDING SUNCOR

Certain information herein relating to Suncor and the Suncor Offer has been derived from the Suncor Circular and other public sources. Neither the Board of Directors nor Canadian Oil Sands independently verified such information or assumes any responsibility for the accuracy or completeness of such information or for any failure by Suncor to disclose events that may have occurred or that may affect the significance or accuracy of any such information.

USE OF CERTAIN NON-GAAP AND ADDITIONAL GAAP MEASURES

In this Directors' Circular, reference is made to non-GAAP and additional GAAP financial measures that do not have any standardized meaning as prescribed by GAAP. Additional GAAP financial measures are line items, headings or subtotals in addition to those required under GAAP, and financial measures disclosed in the notes to the financial statements which are relevant to an understanding of the financial statements and are not presented elsewhere in the financial statements. Non-GAAP and additional GAAP measures have been described and presented in order to provide Shareholders with additional measures for analyzing the Corporation's operational performance, its ability to generate funds to finance its operations and information regarding its liquidity. Users

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

are cautioned that non-GAAP and additional GAAP financial measures presented by the Corporation may not be comparable with measures provided by other entities.

Additional GAAP financial measures include: cash flow from operations (which is calculated as cash from operating activities before changes in non-cash working capital) and long-term debt-to-total capitalization (which is calculated as long-term debt divided by long-term debt plus Shareholders' equity).

Non-GAAP financial measures include: free cash flow (which is calculated as cash from operating activities before changes in non-cash working capital less capital expenditures), free cash flow per share (which is calculated as cash flow from operations before changes in non-cash working capital less capital expenditures, divided by the weighted-average number of shares outstanding in the period) and total enterprise value (see page 12 of this Directors' Circular for a description of total enterprise value).

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

DIRECTORS' CIRCULAR

Capitalized words and other terms in this Directors' Circular have the same meanings as set forth in the Glossary attached as Schedule A to this Directors' Circular and elsewhere in this Directors' Circular. The information contained in this Directors' Circular is given as of October 19, 2015, except as otherwise indicated.

This Directors' Circular is issued by the board of directors (the "Board of Directors" or the "Board") of Canadian Oil Sands Limited ("Canadian Oil Sands" or the "Corporation") in connection with the unsolicited offer (the "Suncor Offer") made by Suncor Energy Inc. ("Suncor") to acquire all of the outstanding common shares (the "Common Shares") of Canadian Oil Sands and any associated rights issued under the Existing Shareholder Rights Plan for 0.25 of a common share of Suncor for each Common Share and such associated rights, upon the terms and subject to the conditions set forth in the offer of Suncor to purchase and accompanying circular (collectively the "Suncor Circular") dated October 5, 2015.

The Suncor Offer is currently scheduled to expire at 5:00 p.m. (Calgary time) on December 4, 2015, unless extended or withdrawn.

UNANIMOUS RECOMMENDATION OF THE BOARD OF DIRECTORS

THE BOARD OF DIRECTORS HAS UNANIMOUSLY CONCLUDED THAT THE SUNCOR OFFER IS SUBSTANTIALLY UNDERVALUED AND NOT IN THE BEST INTERESTS OF CANADIAN OIL SANDS OR ITS SHAREHOLDERS. THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS REJECT THE SUNCOR OFFER, TAKE NO ACTION AND NOT TENDER THEIR COMMON SHARES.

ANALYSIS AND REASONS FOR REJECTING THE SUNCOR OFFER

The Board of Directors carefully reviewed and considered the Suncor Offer. In making its recommendation, the Board of Directors received the benefit of advice from Canadian Oil Sands' external financial and legal advisors. In concluding that the Suncor Offer is inadequate and not in the best interests of Canadian Oil Sands' Shareholders, the Board of Directors identified the following factors as being the most relevant.

1. The Suncor Offer substantially undervalues the strategic value of Canadian Oil Sands' assets.

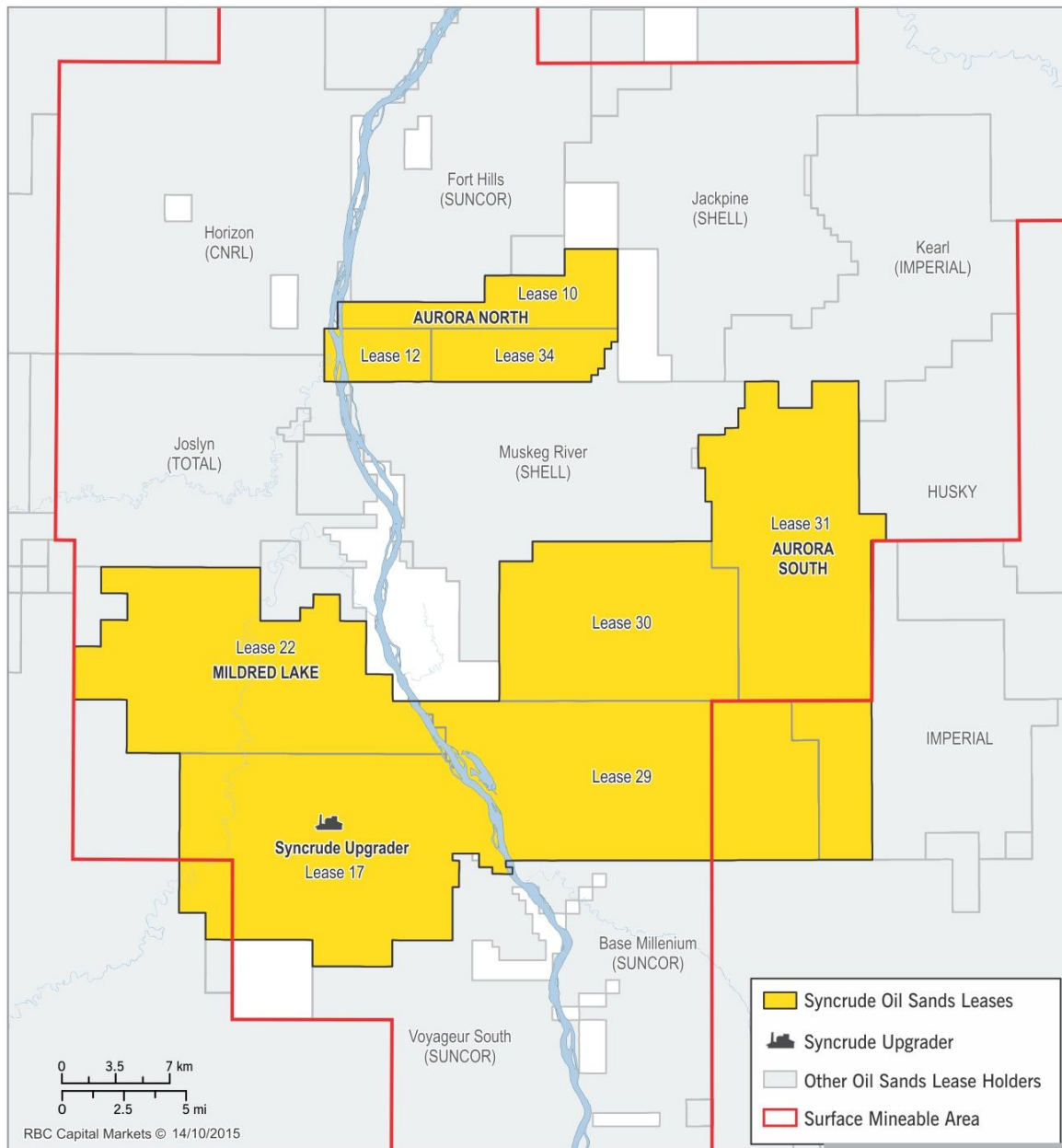
- Canadian Oil Sands represents the only public investment vehicle that provides a non-diversified ownership interest in Syncrude, the largest oil sands mining resource that is not controlled by a super-major, national or large-capitalization oil and gas company.

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

- Syncrude's leases are located in the heart of the Athabasca oil sands and border every oil sands mining project in the region. This unique location provides significant operational, logistical and capital synergies with multiple neighbouring oil sands projects, including Suncor's North Steepbank, Voyageur South and Fort Hills sites as well as sites controlled by other major oil companies.

Premier Oil Sands Mining Position

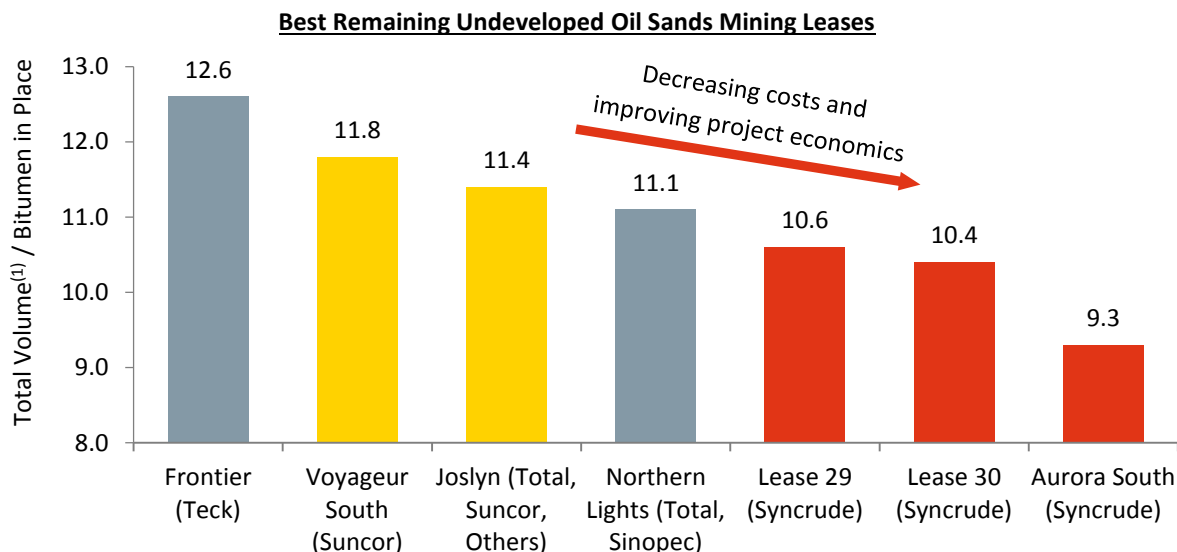


Source: RBC Capital Markets.

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

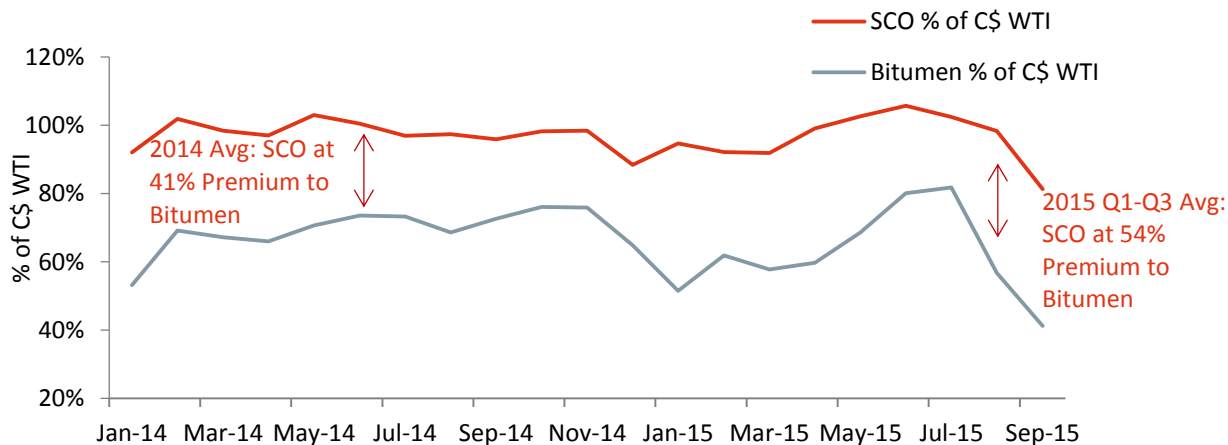
- Syncrude's undeveloped leases are among the highest quality mining leases in the region as measured by total volume to bitumen in place.



(1) Represents the total volume of material to be excavated (overburden, interburden and ore) to bitumen in place. See "Oil and Gas Information". Source: Summary of oil sands mining project metrics prepared by Norwest Corporation for Canadian Oil Sands (16 October 2015), based on the most recent available regulatory filings with the Alberta government.

- Syncrude production and reserves are fully integrated with an upgrader that produces 100% SCO, which has historically achieved prices very close to Canadian dollar WTI.

Bitumen vs. Upgraded SCO Pricing



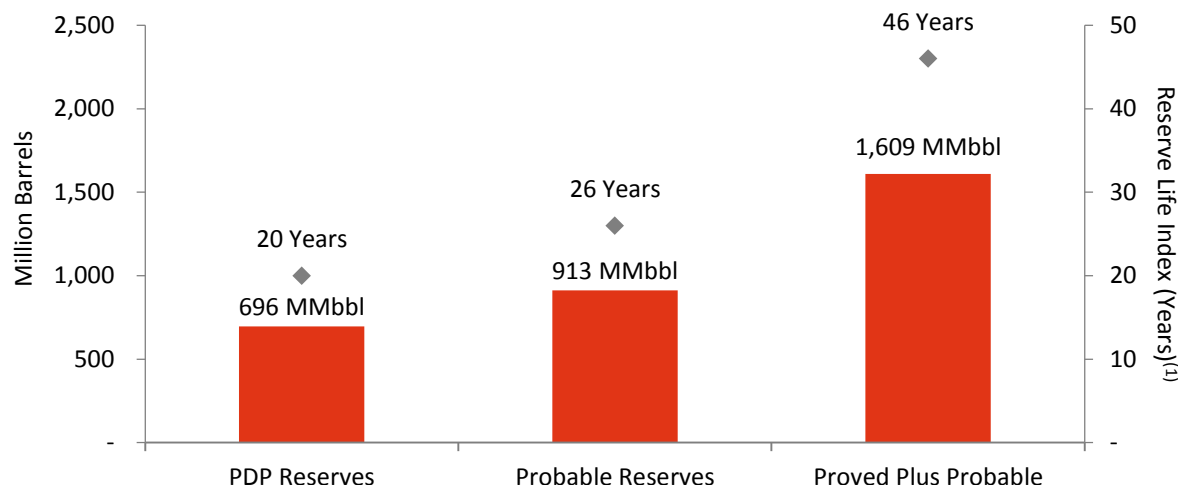
Sources: Canadian Oil Sands; Bloomberg.

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

- With 1.6 billion barrels of upgraded SCO proved plus probable reserves as at December 31, 2014 as prepared by GLJ, Canadian Oil Sands, through its interest in Syncrude, has an immense asset base.
- Canadian Oil Sands' proved plus probable reserve life is 46 years, offering Shareholders the benefit of decades of non-declining oil production from existing infrastructure.

Large Reserve Base Supports Decades of SCO Production⁽¹⁾



(1) Reserve life index (RLI) is calculated using Canadian Oil Sands' reserves figures prepared by GLJ with an effective date of December 31, 2014 and is based on current annual production of 95 million barrels per year of Syncrude production in 2015 (34.9 million barrels net to Canadian Oil Sands). See "Oil and Gas Information".

- Shareholders currently benefit from 1.6 billion barrels of proved plus probable reserves. If the Suncor Offer is successful, the total proved plus probable reserves attributable to Shareholders would substantially decline by 55% to 0.7 billion barrels.¹
- If the Suncor Offer is successful, annual production benefiting Shareholders will substantially decline by 46% from 35 million to 19 million barrels.²
- With a 36.74% interest in Syncrude (the largest holding), Canadian Oil Sands offers a unique opportunity for a third party to achieve control of the Syncrude Joint Venture, providing the ability to operate assets and capture regional synergies, such as elimination of the management services agreement, optimization of the workforce, maintenance, procurement and marketing synergies and infrastructure integration. The Suncor Offer does not reflect this synergistic value or strategic potential.

¹ Calculated on a *pro forma* basis including all Suncor reserves. Reserves figures as at December 31, 2014. Source: Suncor Annual Information Form dated February 26, 2015 for the year ended December 31, 2014.

² Calculated on a *pro forma* basis including all Suncor production. Sources: Canadian Oil Sands; Suncor, News Release, "Suncor Energy reports second quarter 2015 results" (29 July 2015); Suncor Interim Consolidated Financial Statements for the three and six months ended June 30, 2015; Teck Resources Limited 2014 Annual Report.

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

2. The Suncor Offer deprives Shareholders of the significant leverage to oil prices afforded by an investment in Canadian Oil Sands.

- Canadian Oil Sands' Common Shares are highly sensitive and correlated to oil price changes and the Suncor Offer assumes depressed long-term oil prices.
- Between January 2014 and September 2015, there was a 98% correlation between the trading price of the Common Shares and the spot price of WTI versus a 66% correlation for Suncor's shares.
- On trading days between January 1, 2015 and October 2, 2015, where the S&P/TSX Energy Index increased, the price of the Common Shares increased more than twice as much as the price of the Suncor shares.

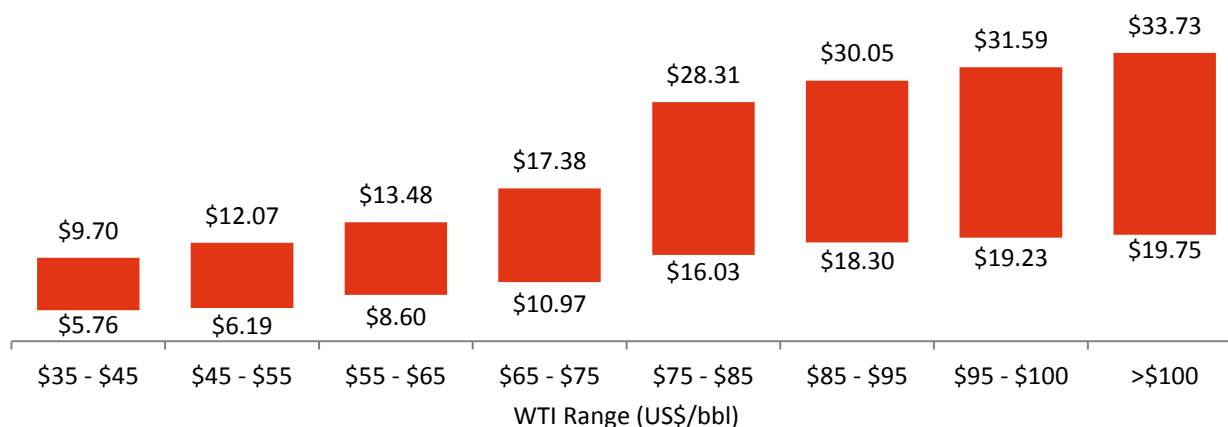
January 1, 2015 - October 2, 2015 Average Daily Performance

	COS	Suncor
S&P/TSX Energy Index Up Days	3.2%	1.2%

Source: Bloomberg

- Based on historical trading prices, the trading price of the Common Shares will exceed the Implied Offer Price in the event of even the slightest increase in the oil price.

Canadian Oil Sands Share Price Ranges at Different WTI Ranges (Last 5 Years)



Source: Bloomberg.

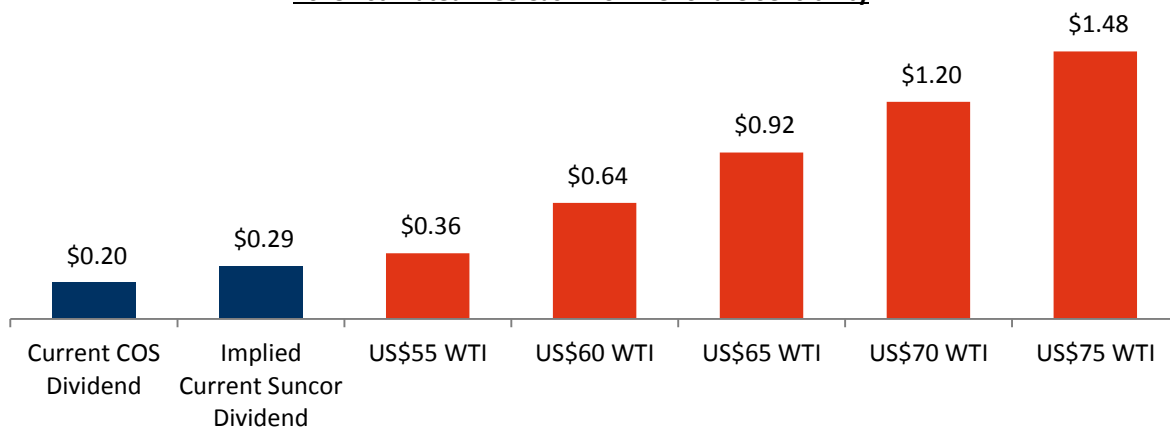
- The Suncor Offer fails to reflect any potential recovery of oil prices and assumes long-term WTI prices remain at current levels, despite Suncor's recognition that current oil prices are unsustainable. Suncor itself has acknowledged that:

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

- “Price volatility is a fact of life in our industry, which is why we maintain a very strong balance sheet that allows us to fund our capital programs through the price cycle ... Our long-term expectation is for an average oil price in the \$90 to \$100 range, but we fully expect that from time to time, the global supply-demand situation will drive the price well outside that envelope.”³ – Steve Williams, Suncor Chief Executive Officer.
- “[I]n the longer term, oil is going back to \$90 to \$100 ... probably in three or four years’ time.”⁴ – Alister Cowan, Suncor Chief Financial Officer.
- Canadian Oil Sands’ cash flow from operations and free cash flow are significantly levered to oil price increases.
- Since 2001, Canadian Oil Sands has paid approximately \$7.9 billion, or \$17 per Common Share, in cash dividends representing all free cash flow generated. WTI oil prices have averaged approximately US\$65 per barrel over the same period.⁵
- Canadian Oil Sands estimates it will generate sufficient free cash flow to pay the current dividend even at WTI prices of US\$45 per barrel.
- Even a modest increase in oil prices would be expected to significantly increase Canadian Oil Sands’ free cash flow and ability to pay dividends.

2015 Estimated Free Cash Flow Per Share Sensitivity⁽¹⁾



(1) Free cash flow per share in this chart excludes major capital projects as these are expected to be \$nil over the next several years; implied current Suncor dividend assumes \$0.29 per common share quarterly dividend and 0.25 exchange ratio per Suncor Offer; assumes exchange rate of 0.79 US\$/C\$. See “Forward-Looking Statements” and “Use of Certain Non-GAAP and Additional GAAP Measures”. Source: Canadian Oil Sands.

³ Source: Jeremy van Loon and Rebecca Penty, “Cheapest Oil Face Cascading Woes” Bloomberg (27 November 2014), online: BloombergBusiness, <<http://www.bloomberg.com/news/articles/2014-11-27/alberta-producers-with-world-s-cheapest-oil-face-cascading-woes>>.

⁴ Source: Chester Dawson, “Suncor Executive Says Growth Plans Based on Bullish Crude Price Outlook” *The Wall Street Journal* (21 January 2015), online: The Wall Street Journal, <<http://www.wsj.com/articles/suncor-executive-says-growth-plans-based-on-bullish-crude-price-outlook-1421892771>>.

⁵ Source: Bloomberg.

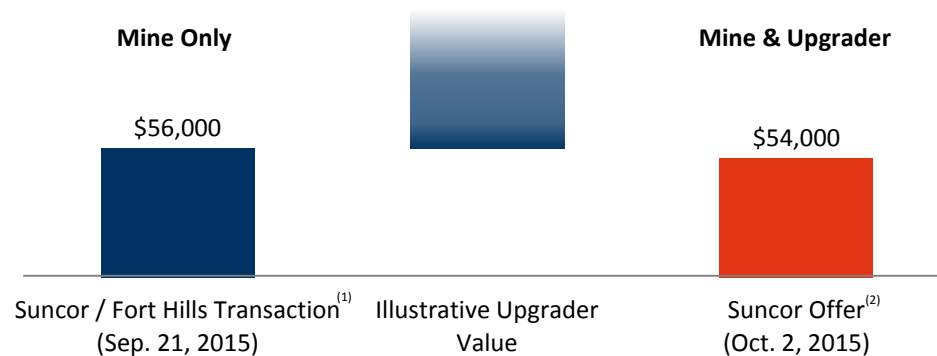
REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

3. The Suncor Offer is substantially undervalued in relation to Suncor's recent acquisition of an additional interest in the neighbouring Fort Hills Project, which is a non-producing asset without an upgrader.

- Two weeks prior to making its unsolicited offer for Canadian Oil Sands, Suncor acquired a 10% interest in the neighbouring Fort Hills Project on the basis of approximately \$56,000 per daily barrel of productive capacity, which it described as a "discounted price": "This opportunity to acquire an additional interest at a discounted price underscores Suncor's confidence in its position within the oil sands."⁶ – Steve Williams, Suncor Chief Executive Office (emphasis added).

Current Offer Gives No Value to Canadian Oil Sands' Upgrader – Implied Capital Efficiency (\$/bbl/d)



(1) Calculated as Suncor's \$310 million acquisition cost for a 10% interest in Fort Hills Project from Total E&P Canada Ltd. plus remaining capital associated with that 10% interest (approximately \$700 million) divided by the 18 Mbb/d productive capacity associated with that 10% interest.

(2) Calculated as the total enterprise value of the Suncor Offer (calculated as the Implied Offer Price of \$8.84 as of October 2, 2015, multiplied by 484.6 million Common Shares outstanding, plus long term debt of the Corporation as at June 30, 2015, less cash of the Corporation as at June 30, 2015), divided by estimated 2016 consensus SCO production of 105 Mbb/d, grossed up by a factor of 0.86 bbl of SCO = 1 bbl of bitumen.

Sources: Suncor, News Release, "Suncor Energy to acquire additional working interest in Fort Hills oil sands project" (21 September 2015); Canadian Oil Sands; Bloomberg.

- The Fort Hills Project will require two more years of construction⁷ and is therefore subject to capital and start-up risks, as well as the risk that it does not produce at its nameplate capacity.
- At \$54,000 per daily barrel of Syncrude's demonstrated production, the Suncor Offer represents a discount to Shareholders despite Fort Hills being a bitumen project with no upgrader. Syncrude's upgrader produces SCO which has recently priced at a 40-55% premium to bitumen. Since 2009,

⁶ Source: Suncor, News Release, "Suncor Energy to acquire additional working interest in Fort Hills oil sands project" (21 September 2015).

⁷ Source: Suncor, News Release, "Suncor Energy to acquire additional working interest in Fort Hills oil sands project" (21 September 2015).

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

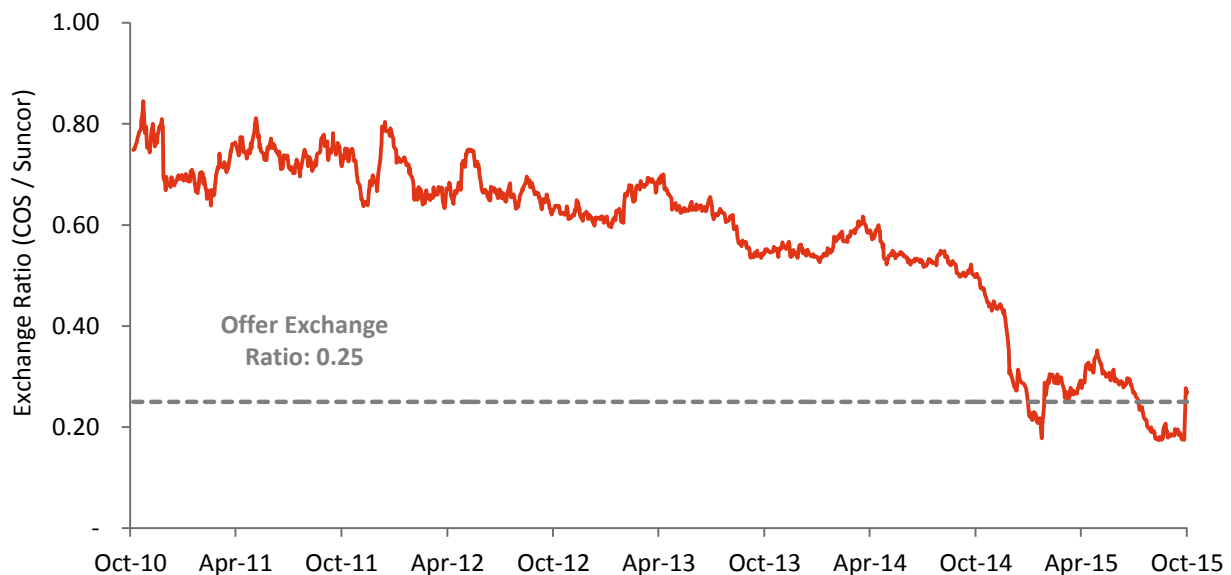
If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

Syncrude's upgrader has generated approximately \$5 billion, or 60%, of Canadian Oil Sands' cash flow from operations and approximately \$4 billion, or 75%, of Canadian Oil Sands' free cash flow before major mining and extraction project capital spending. The upgrader has significant value which Shareholders are being asked to give away for free.

4. The Suncor Offer is highly opportunistic and has been timed to deprive Shareholders of the full and fair value of their Common Shares.

- The Suncor Offer was made at a **lower** exchange ratio than Suncor previously proposed to Canadian Oil Sands in April 2015 (when it proposed 0.32 of a Suncor share in contrast to the 0.25 of a Suncor share under the Suncor Offer).
- The Common Shares have historically traded below the 0.25 Implied Offer Price in only 6% of trading sessions over the past five years.

Exchange Ratio at Lowest Point in Five Years



Source: Bloomberg.

- The Suncor Offer is highly opportunistic and designed to take advantage of the dramatic deterioration in the price of the Common Shares as a result of low oil prices. The Suncor Offer was made within six weeks of the Common Shares trading at their lowest point in the last 15 years.
- The Suncor Offer is deliberately timed to take advantage of political, economic and regulatory risk and uncertainty, including the results of the Canadian federal election, the Government of Alberta's anticipated changes to its oil and gas royalty regime, greenhouse gas emissions and climate change policies, and tailings management and biodiversity frameworks impacting oil sands companies. These

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

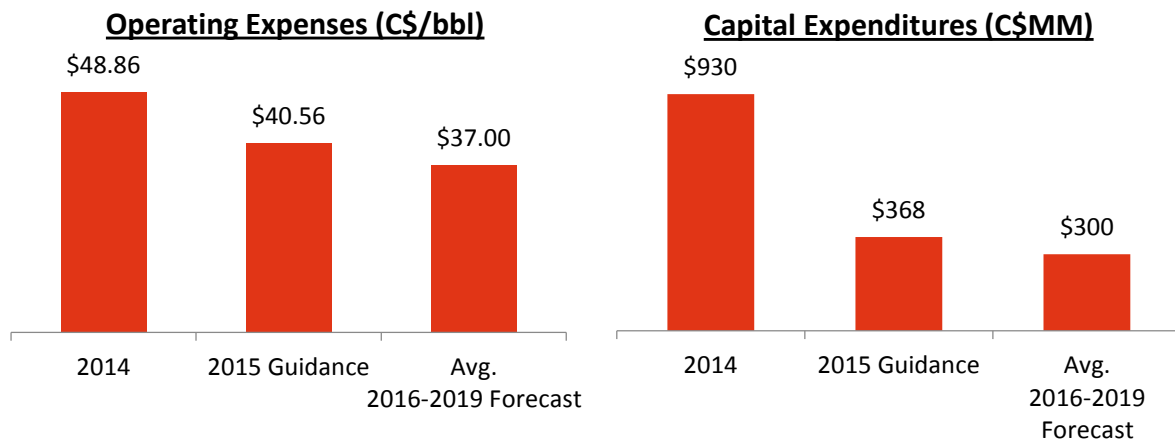
If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

uncertainties have materially adversely affected the share price of oil and gas companies, including Canadian Oil Sands.

5. Suncor has an informational advantage as a result of its participation in the Syncrude Joint Venture and the timing and structure of its offer unfairly disadvantages Shareholders.

- Suncor is, in substance and effect, an insider of Syncrude and Canadian Oil Sands through its long-term relationship as a joint venture participant in and co-owner of Syncrude.
- This relationship provides Suncor an informational advantage over Shareholders and unfairly deprives Shareholders of important information about Syncrude that is not reflected in the Suncor Offer. This information includes results of cost reduction efforts, operational optimization initiatives and capital expenditure programs.
- Suncor is aware of significant operational upside at Syncrude. The Suncor Offer fails to reflect substantial cost reductions and business plan improvements expected to result from operational optimization initiatives, the early results of which are not expected to be publicly disclosed until after a review by Syncrude owners around or after the expiry date of the Suncor Offer.
- The Chief Executive Officer of Suncor confirmed as much when he was quoted: “We’ve been working on operational excellence within Syncrude and the same components are there, better cost management and management of reliability ... (I’m on the record saying) that they have been diligently working on what I believe are the right issues.”⁸

Syncrude Operating Expenses and Capital Expenditures⁽¹⁾



(1) Expected decreases in operating expenses and capital expenditures are based on management estimates and assumptions and are subject to various risks. See “Forward-Looking Statements”. Source: Canadian Oil Sands.

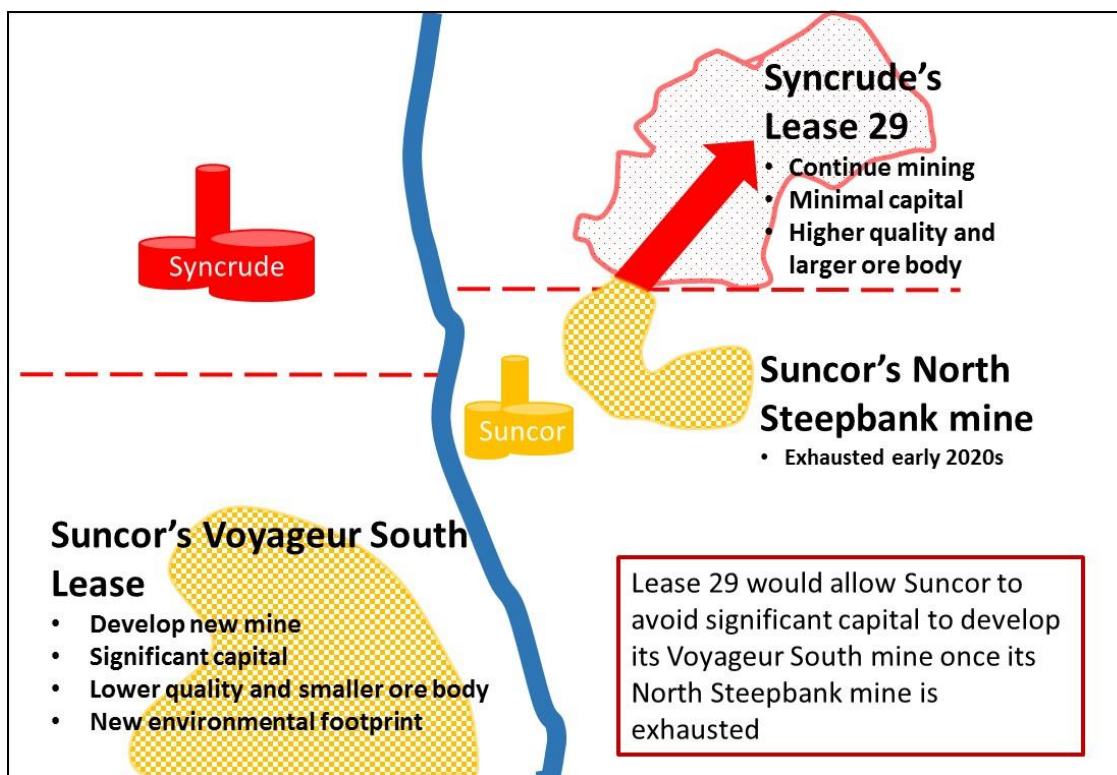
⁸ Source: Suncor, Transcript of First Quarter 2015 Conference Call & Webcast (30 April 2015), online: Suncor, <http://www.suncor.com/pdf/Q12015_Analyst_Call_Transcript.pdf>.

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

- Among other things, cost reductions at Syncrude in 2015 have significantly exceeded market estimates and are expected to continue into future years. These cost reductions are expected to deliver significant value to Shareholders, yet this upside value is not reflected in the Suncor Offer.
- Syncrude recently completed its \$8 billion major project capital spending and Canadian Oil Sands now expects approximately \$300 million of capital expenditures per year through 2019 with no major capital projects planned. Shareholders are only beginning to realize the benefits of this capital program, which is expected to sustain production for decades.
- The Suncor Offer deprives Shareholders of the significant value of optimizing or developing Syncrude's high quality undeveloped leases.
- Specifically, Suncor is aware of synergies realizable from Syncrude's undeveloped Lease 29. Canadian Oil Sands, with the support of Syncrude participants, entered into discussions for the sale of Lease 29 to Suncor. Both parties recognized material upside value that could be derived. This value is not reflected in the Suncor Offer.

Location of Syncrude Lease 29 Relative to Suncor's North Steepbank Mine⁽¹⁾



(1) Not to scale. For illustrative purposes only. Sources: Canadian Oil Sands; Suncor's Voyageur South Mine Fact Sheet.

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

6. Canadian Oil Sands' balance sheet and Syncrude's revised cost structure can endure sustained low oil prices.

- Canadian Oil Sands is generating positive free cash flow at current oil prices.
- Canadian Oil Sands is largely undrawn on its \$1.5 billion credit facility which does not expire until 2019 and is not subject to borrowing base reviews.
- With 37% long-term debt to total capitalization at June 30, 2015, Canadian Oil Sands has significant flexibility under its debt covenants and liquidity to continue to operate through a sustained period of low crude oil prices.

7. The Common Shares are trading above the \$9.22 price implied by the Suncor Offer.

- Since Suncor commenced its hostile take-over bid on October 5, 2015, the Common Shares have traded above the Implied Offer Price as of October 2, 2015 (the last trading day prior to the date of the Suncor Offer), and sophisticated institutional investors have demonstrated by their actions that the Suncor Offer does not reflect the full and fair value of the Common Shares.
- Since the date of the Suncor Offer, approximately 118,473,506 Common Shares (representing 24% of the outstanding Common Shares) have traded on all marketplaces at prices above the price implied by the Suncor Offer based on end of day closing share prices on the TSX. The closing price of the Common Shares on the TSX on October 16, 2015 was \$9.94 and, as of that date, the price implied by the Suncor Offer represented a 7% discount to the closing price of the Common Shares on the TSX.

8. Major institutional investors have stated that the Suncor Offer is inadequate.

- Since the commencement of the Suncor Offer, several of our largest shareholders have indicated to Canadian Oil Sands or RBC Capital Markets or otherwise publicly announced their objection to the offer price as being too low.
- Seymour Schulich, Canadian business leader, philanthropist, Officer of the Order of Canada and owner of more than 5% of the Common Shares, objected to the Suncor Offer by stating: "*It's not a low-ball offer, it's a no-ball offer ... the bid is ridiculous.*"⁹

9. Superior alternatives delivering superior value for Shareholders may emerge.

- Canadian Oil Sands and its financial and legal advisors are working to evaluate a full range of strategic alternatives that may be in the best interests of the Corporation and its Shareholders.
- Alternatives may include, among other things, continuing as an independent company, a sale of the Corporation for cash and/or shares, an assets sale(s), a merger, reorganization or partnering with a

⁹ Source: Geoffrey Morgan, "Suncor Energy Inc.'s \$4.3B hostile bid for Canadian Oil Sands 'ridiculous': Seymour Schulich" *Financial Post* (5 October 2015), online: Financial Post, <<http://business.financialpost.com/news/energy/suncor-energy-incs-4-3b-hostile-bid-for-canadian-oil-sands-ridiculous-seymour-schulich>>.

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

financial or strategic investor. These may present a financially superior consideration than the Suncor Offer.

- The Board believes that Canadian Oil Sands and its assets may be very attractive to potential interested parties, and tendering Common Shares to the Suncor Offer before Canadian Oil Sands and its advisors have had an opportunity to fully explore available alternatives may preclude the possibility of financially superior alternative transactions emerging offering substantially higher value than the Suncor Offer.

10. Suncor has failed to provide adequate disclosure that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Suncor Offer.

- The Suncor Offer treats Shareholders unfairly by depriving them of important information about Syncrude that is not expected to be disclosed until around or after the expiry of the Suncor Offer. This information includes the results of cost reduction efforts, operational optimization initiatives, capital expenditure programs, and discussions amongst the Syncrude Joint Venture owners to realize anticipated cost synergies.

11. The value of the consideration under the Suncor Offer is uncertain and entirely dependent on the value of the Suncor shares.

- The value of the consideration to be received by Shareholders under the Suncor Offer is uncertain and will depend on the value of the Suncor shares at the time the Common Shares are taken up under the Suncor Offer. Under the terms of the Suncor Offer, the exchange ratio will not be adjusted to reflect any change, including a decline, in the market value of the Suncor shares. If the market price of the Suncor shares declines, the value of the consideration received by Shareholders will decline as well. For example, on October 16, 2015 the closing price of the Suncor shares on the TSX was \$36.86, representing an Implied Offer Price of the Suncor Offer of only \$9.22.

12. Canadian Oil Sands' financial advisor has delivered a written opinion that the Suncor Offer is inadequate.

- RBC Capital Markets, the financial advisor to Canadian Oil Sands, has delivered a written opinion to the Board of Directors that the consideration offered under the Suncor Offer is inadequate, from a financial point of view, to Shareholders. The opinion of RBC Capital Markets is attached as Schedule B to this Directors' Circular and should be reviewed and considered in its entirety together with the review of this Directors' Circular.

13. Suncor's common shares contain ownership and transfer restrictions that prejudice Shareholders.

- Suncor's shares contain restrictions on the ownership and voting of shares that deprive holders of Suncor shares the possibility of any future control premium. The likelihood of the market price of the Suncor shares ever reflecting a take-over premium is significantly diminished by these restrictions.
- Specifically, Suncor is governed by the Petro-Canada Act, which restricts the ownership and voting of Suncor shares. Accordingly, no person, together with the associates of that person, may subscribe for, have transferred to that person, hold, beneficially own or control, or vote in the aggregate, voting

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

shares of Suncor to which are attached more than 20% of the votes attached to all outstanding voting shares of Suncor.

- These restrictions, in effect, prevent the holders of Suncor shares from entertaining an offer to acquire control of Suncor and benefiting from any associated control premium and, further, significantly narrow the universe of potential purchasers of all or substantially all of Suncor's assets.

14. The Suncor Offer provides insufficient time to properly consider any take-over bid made for Canadian Oil Sands.

- The Suncor Offer provides insufficient time to properly consider any take-over bid made for Canadian Oil Sands and to allow time for competing bids and alternative transactions to emerge from potential buyers and strategic partners.
- Since the Suncor Offer is only open for acceptance for 60 days, it is not a Permitted Bid under the New Shareholder Rights Plan, and Suncor has chosen not to amend its bid to become a Permitted Bid since Canadian Oil Sands announced its New Shareholder Rights Plan.
- The 60-day deposit period under the Suncor Offer is timed to expire at or around the time that undisclosed information regarding Syncrude, including revised cost estimates for the Syncrude Joint Venture, are expected to be made publicly available and, accordingly, potential buyers and strategic partners will have insufficient time to properly evaluate Syncrude before the Suncor Offer expires.
- The New Shareholder Rights Plan is also consistent with amendments to the Canadian take-over bid rules proposed by the Canadian securities regulators to increase the minimum amount of time that a take-over bid must remain open to 120 days. Suncor could have made its bid in accordance with this widely anticipated change to the take-over bid rules but chose not to do so. Instead, Suncor is acting opportunistically to complete a transaction before the 120-day requirement is anticipated to come into force. In fact, a representative of Suncor has acknowledged, in an interview with BNN Television on October 6, 2015, that Suncor is trying to "get these M&A transactions in earlier before the new rules apply".

15. The Suncor Offer is conditional and has substantial completion risk.

- The Suncor Offer contains 13 conditions, several of which include extensive sub-conditions, which must be satisfied or waived before Suncor is obligated to take-up and pay for any Common Shares deposited under the Suncor Offer. Certain of the conditions and sub-conditions provide broad discretion in favour of Suncor and are not subject to any materiality thresholds or other objective criteria, and include language such as, "the Offeror shall have determined, in its sole judgment ..." and similar phrases without any requirement for reasonableness in these determinations.
- In addition, certain actions may be taken or agreements may be entered into by Canadian Oil Sands or its subsidiaries, including certain actions or agreements described in this Directors' Circular, or certain other events may occur, which may result in Suncor being entitled to not proceed with its offer due to the subjective and discretionary nature of the conditions to the Suncor Offer.
- These conditions, in effect, provide Suncor with an unfair option to decline or proceed with its offer.

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

Conclusions and Recommendations

For the reasons outlined above, the Board of Directors believes that the Suncor Offer fails to provide full value for the Common Shares and is an attempt by Suncor to acquire Canadian Oil Sands or an effective control position in Canadian Oil Sands without offering adequate value to Canadian Oil Sands' Shareholders.

The Board of Directors unanimously recommends that Shareholders REJECT the Suncor Offer, TAKE NO ACTION and NOT TENDER their Common Shares to the Suncor Offer.

Shareholders who have tendered Common Shares to the Suncor Offer and who wish to obtain advice or assistance in withdrawing their Common Shares are urged to contact their broker or Kingsdale at 1-866-851-3215 or contactus@kingsdaleshareholder.com.

The foregoing summary of the information and factors considered by the Board of Directors includes the material information, factors and analysis considered by the Board of Directors in reaching its conclusion and recommendation. The members of the Board of Directors evaluated the various factors summarized above in light of their own knowledge of the business, financial condition and prospects of Canadian Oil Sands, and based upon the advice of Canadian Oil Sands' external financial and legal advisors. In view of the numerous factors considered in connection with their evaluation of the Suncor Offer, the Board of Directors did not find it practicable to, and did not, quantify or otherwise attempt to assign relative weight to specific factors in reaching its conclusion and recommendation. In addition, individual members of the Board of Directors may have given different weight to different factors. The conclusion and unanimous recommendation of the Board of Directors was made after considering all of the information and factors involved. Shareholders should consider the terms of the Suncor Offer carefully and should come to their own decision as to whether to accept the Suncor Offer.

INTENTIONS WITH RESPECT TO THE SUNCOR OFFER

Each of the directors and officers of Canadian Oil Sands has indicated that he or she has not, and does not intend to, accept the Suncor Offer. To the knowledge of the directors and officers of Canadian Oil Sands, after reasonable enquiry, no insider of Canadian Oil Sands, no associate or affiliate of any director, officer or other insider of Canadian Oil Sands, no associate or affiliate of Canadian Oil Sands nor any person acting jointly or in concert with Canadian Oil Sands has accepted or indicated an intention to accept the Suncor Offer.

BACKGROUND TO THE SUNCOR OFFER AND RESPONSE OF CANADIAN OIL SANDS

Senior executives of both the Corporation and Suncor routinely interact and engage with one another, in their respective capacities as participants in, and co-owners of, the Syncrude Joint Venture, having regard for strategic and operational matters relating to the Syncrude Joint Venture. In that regard, on February 27, 2015, Mr. Steve Reynish, Executive Vice President of Strategy & Corporate Development of Suncor, and Mr. Ryan Kubik, President and Chief Executive Officer of the Corporation, met to discuss various matters relating to their participation in the Syncrude Joint Venture when Mr. Reynish raised casually the possibility of exploring a potential business combination between the Corporation and Suncor. Mr. Kubik responded by indicating that the Corporation was focused on the execution of its business plan and strategy including by enhancing the value of the Syncrude assets through increased productivity, cost reductions and the execution of operational optimization initiatives. Following that meeting, Mr. Kubik discussed the conversation with Ms. Trudy Curran, Senior Vice

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

President, General Counsel and Corporate Secretary of the Corporation, and they agreed that they would review the conversation with the Board at the next Board meeting scheduled to be held in April 2015.

On March 9, 2015, Mr. Kubik received a one-and-a-half page letter from Mr. Reynish summarizing why Suncor believed that a potential combination between the Corporation and Suncor had merit. The letter proposed an all-share transaction with no further details, no exchange ratio, and no indication as to how such an exchange ratio might be calculated. Mr. Reynish requested a response from Mr. Kubik by March 16, 2015. Mr. Kubik promptly contacted Mr. Lowry, Chairman of the Board, to discuss the letter.

On March 10, 2015, the Board met to consider the letter and the appropriate response. In the course of its discussions, the Board took notice of the perfunctory nature of the letter and the lack of any indication of value that would be ascribed to the Common Shares of the Corporation. Following its deliberations, the Board instructed management to prepare a response to Suncor for its review and consideration and to arrange another meeting of the Board with the Corporation's external legal and financial advisors for the purpose of settling on an appropriate response.

On March 13, 2015, the Board reconvened with representatives of RBC Capital Markets, regular financial advisors of the Corporation, and Osler, Hoskin & Harcourt LLP ("Osler"), regular legal advisors of the Corporation, in attendance. Following the receipt of legal advice, including advice with regard to the Board's fiduciary duties, and financial advice including a financial presentation by RBC Capital Markets, the Board unanimously determined that there was no basis for entering into discussions with Suncor based on the March 9, 2015 letter. An *in camera* session of the independent directors (being all directors other than Mr. Kubik) was subsequently held. Following the meeting, a letter was sent to Suncor confirming that determination.

Over the course of its deliberations, Mr. Lowry, Chairman of the Board, established a protocol of conducting *in camera* sessions with the independent directors and external legal and financial advisors during each Board meeting.

On March 24, 2015, Mr. Lowry was contacted by telephone by Mr. Steve Williams, President and Chief Executive Officer of Suncor, requesting a meeting. Mr. Lowry indicated that he and Mr. Kubik would be prepared to meet with Mr. Williams and a meeting was scheduled for April 9, 2015.

On April 8, 2015, the Board met with representatives of management, and representatives of Osler and RBC Capital Markets to review the status of operations and the business plan of the Corporation and to consider and prepare for the meeting scheduled to be held the following day between representatives of the Corporation and Suncor. The Board received a financial presentation from RBC Capital Markets and legal advice from Osler and considered how it might respond to any further potential expression of interest that might be made by Suncor. Following the meeting, the Corporation entered into an engagement letter with RBC Capital Markets effective March 13, 2015 as financial advisor to provide analysis of the Corporation's business plan, including acting as financial advisor in the event of any potential unsolicited approach by a third party.

On April 9, 2015, Messrs. Lowry and Kubik met with Messrs. Williams and Reynish. Shortly after the commencement of that meeting, Mr. Williams and Mr. Reynish presented a verbal expression of interest to acquire the Corporation by way of an all-share business combination between the Corporation and Suncor on the basis of 0.32 of a Suncor common share in exchange for each outstanding Common Share. Mr. Williams proceeded to explain the merits of a business combination between the two companies from Suncor's perspective. Mr. Lowry

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

responded by emphasising that the Corporation was not up for sale. Nevertheless, Mr. Lowry indicated that the Board would give careful consideration to any written offer from Suncor.

Later that day, on April 9, 2015, the Board met to receive a report from Messrs. Lowry and Kubik on the meeting with the Suncor executives. After receiving the report and following a discussion among management, the Board and the Corporation's external legal and financial advisors, the Board scheduled a further Board meeting on April 15, 2015 to consider any written proposal that might be made by Suncor and instructed management and its advisors to consider possible next steps and provide appropriate planning materials for the April 15 meeting.

Later in the afternoon of April 9, 2015, Mr. Kubik received a two page letter containing a non-binding expression of interest (the "Proposal") proposing an all-share business combination transaction on the basis of the same exchange ratio presented verbally that same morning. The letter indicated that the Suncor team had performed a significant amount of work on the idea. The letter also requested that the letter and related discussions with Mr. Kubik and the Board remain confidential.

On April 15, 2015, after significant financial and legal analysis, the Board met to consider and discuss the Proposal. Representatives of Osler and RBC Capital Markets were also in attendance at the meeting. The Board carefully considered any potential or perceived conflicts that were raised by certain directors before considering the letter delivered by Suncor and determined that there were none of a material nature. Representatives of RBC Capital Markets provided the Board with a market update and financial analysis of the Proposal. Representatives of RBC Capital Markets reviewed a number of different scenarios and the impact on the Corporation's value particularly given the correlation thereof to the price of WTI. RBC Capital Markets also confirmed that the Corporation had strong potential for accessing capital should that be required for executing its business plan or deleveraging the balance sheet. Following the receipt of external legal and financial advice, and given the status of the Corporation's business plan, the Corporation's liquidity and financial position, the correlation to oil prices and current market conditions, the Board concluded that it was not an appropriate time to put the Corporation up for sale and that the Proposal was not a basis for further discussions with Suncor. Following its review of potential scenarios and alternatives, after an *in camera* session of the independent directors and having received the advice of its external legal and financial advisors, the Board determined that a letter should be sent to Suncor indicating that the Corporation is not up for sale and, after careful consideration, the Proposal did not provide a basis upon which to enter into further discussions with Suncor. On April 16, 2015, a letter was sent to Suncor confirming that determination. Based on the closing price of Suncor's common shares on the TSX on April 16, 2015, the price implied by Suncor's Proposal for the Common Shares was at a 1.1% discount to the Corporation's closing price of \$12.96 per Common Share on the TSX on the same date. The Corporation and its directors and officers did not receive any further contact from Suncor.

On October 5, 2015, Suncor issued a press release indicating it formally commenced an unsolicited offer to acquire all of the outstanding Common Shares and filed the Suncor Circular and related materials with the Canadian Securities Administrators.

On October 6, 2015, the Board met together with representatives of Osler and RBC Capital Markets to discuss the Suncor Offer and various matters arising from the Suncor Offer. Among other things, the Board reviewed and discussed with its external advisors whether the Shareholder-approved Existing Shareholder Rights Plan was appropriate having regard to the unique circumstances of the Suncor Offer, as well as the appropriateness of adopting a new shareholder rights plan and how such a plan might differ from the Existing Shareholder Rights Plan in light of the circumstances in which it was being considered. In weighing the adequacy of the Existing Shareholder Rights Plan against adopting a new shareholder rights plan, the Board took into account,

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

among other things: (i) the context in which Suncor has made the Suncor Offer, which involves historically low and volatile oil prices, significant political, economic and industry uncertainty, and ongoing review of royalty and environmental considerations of particular relevance to Canadian Oil Sands; (ii) the information imbalance between Suncor and Shareholders arising from the fact that Suncor, as a member of the Syncrude Joint Venture, at the time of making the Suncor Offer had the benefit of as yet undisclosed information about substantial reductions in the operating costs and capital expenditures for the Syncrude Joint Venture; and (iii) that adequate time would be required for the Board to review, consider and evaluate potential value-enhancing and strategic alternatives which could be pursued with Syncrude or independently by the Corporation, particularly in light of the expected timing for public disclosure by Canadian Oil Sands of information derived from any update to Syncrude's 2015 budget and outlook for 2016 which is after the review by Syncrude owners. In the view of management and the Board, Suncor took unfair advantage of its position as a co-owner in Syncrude by relying on undisclosed inside information relating to the Syncrude Joint Venture. Suncor formulated its offer in a manner that takes advantage of Shareholders by failing to reflect these expected positive financial results and by deliberately timing the Suncor Offer to expire prior to the time that Canadian Oil Sands would be expected to publicly disclose any information derived from any update to Syncrude's 2015 budget and outlook for 2016.

After careful consideration and with the benefit of advice, the Board concluded that the adoption of the New Shareholder Rights Plan was appropriate, and indeed necessary to protect the interests of Shareholders having regard to the factors described above. As the New Shareholder Rights Plan extends the period of time during which a Permitted Bid must remain open from the not less than 60 day period found in the Existing Shareholder Rights Plan to not less than 120 days, the New Shareholder Rights Plan is designed to ensure, among other things, that any take-over bid by Suncor or another third party would remain open until such time as Canadian Oil Sands publicly discloses information derived from any update to Syncrude's 2015 budget and outlook for 2016. The Board unanimously resolved to adopt the New Shareholder Rights Plan, subject to TSX approval.

On October 7, 2015, the Corporation issued a press release announcing the adoption of the New Shareholder Rights Plan.

On October 9, 2015, the Board met to receive updates on initial Shareholder and market reaction to the Suncor Offer and the adoption of the New Shareholder Rights Plan, work in progress and a timetable for considering the Board's recommendation in respect of the Suncor Offer, including updates and assessments of management, RBC Capital Markets and Osler. The Board also approved the retention of Norton Rose Fulbright Canada LLP as independent legal advisor to the Board.

On October 15, 2015, the Board met with and received updates and assessments from management, Osler and RBC Capital Markets, including a financial presentation from RBC Capital Markets which included analysis on potential value-enhancing and strategic alternatives which could be pursued with Syncrude or independently by the Corporation and included a review of third parties which might be interested in a strategic transaction with the Corporation.

On October 18, 2015, the Board met with Osler and RBC Capital Markets and received an updated financial presentation from RBC Capital Markets. During the meeting, the independent members of the Board held an *in camera* session with Norton Rose Fulbright Canada LLP, independent legal advisor to the Board, in attendance. After discussion, RBC Capital Markets rendered to the Board an oral opinion dated October 18, 2015, which was confirmed in writing later that day, to the effect that, as of such date and based upon and subject to the assumptions, qualifications and limitations stated in their opinion, the consideration offered pursuant to the Suncor Offer is inadequate, from a financial point of view, to Shareholders. A copy of the opinion of RBC Capital

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

Markets is attached as Schedule B to this Directors' Circular. At that meeting, having received the advice of its advisors, including the opinion of RBC Capital Markets, and for a number of reasons more fully described under "Analysis and Reasons for Rejecting the Suncor Offer" in this Directors' Circular, the Board concluded that the Suncor Offer is substantially undervalued and opportunistic in several respects, is exploitive in its reliance on an informational advantage and is not in the best interests of Canadian Oil Sands or its Shareholders and unanimously resolved to recommend to the Shareholders that they reject the Suncor Offer, take no action and not tender their Common Shares thereto. The Board approved the sending of this Directors' Circular and the issuance of a press release in respect of this Directors' Circular, the Board's recommendation and revised guidance for the period. While the Board confirmed at the meeting that the Corporation is not up for sale, the Board requested a further detailed consideration of alternatives and directed the Corporation's management and advisors to initiate contact with third parties which could be interested in a potential strategic transaction with the Corporation.

UPDATED GUIDANCE

Canadian Oil Sands released an update of its 2015 guidance on October 19, 2015, reflecting updated operating costs and annual production. As disclosed in its earlier press releases, Canadian Oil Sands anticipated that Syncrude annual production would be near the low end of its annual production range. Canadian Oil Sands today confirmed the mid point estimate for Syncrude annual production to be 95 million barrels (gross to Syncrude) and has updated its guidance range in that regard. Canadian Oil Sands is pleased to report that, as a result of continued success on cost reduction efforts, Syncrude has surpassed Canadian Oil Sands' previous full year target of \$900 million (\$330 million net to Canadian Oil Sands) of operating, development and capital cost reductions in just the first nine months of 2015. Further opportunities have been identified and accordingly, Canadian Oil Sands has increased its estimate of full year 2015 cost savings to \$1.3 billion (\$480 million net to Canadian Oil Sands), beyond the upper end of the \$700 million to \$1.1 billion range (\$260 to \$400 million net to Canadian Oil Sands) established in January 2015. This tremendous achievement reflects the hard work and significant efforts of Syncrude and its employees to reduce supplier and contractor costs and increase efficiencies. In addition to savings from the cost reduction program, the Centrifuge Plant at the Mildred Lake Mine has been completed on time and under budget leaving only base maintenance and sustaining capital spending for the next several years.

OPINION OF RBC CAPITAL MARKETS, FINANCIAL ADVISOR TO CANADIAN OIL SANDS

Effective March 13, 2015, RBC Capital Markets was engaged to render certain financial advisory services to Canadian Oil Sands in connection with the Board of Directors' analysis and consideration of, and response to, Suncor's unsolicited proposal in March 2015. Canadian Oil Sands will pay RBC Capital Markets reasonable and customary compensation for its services, including fees that are contingent on a change of control of the Corporation or certain other events, and will reimburse RBC Capital Markets for its reasonable out-of-pocket expenses. Canadian Oil Sands has agreed to indemnify RBC Capital Markets against certain liabilities arising out of or in connection with its engagement.

RBC Capital Markets has delivered a written opinion addressed to the Board of Directors, concluding that, on the basis of the assumptions, limitations and qualifications set forth in the opinion delivered by RBC Capital Markets, as of the date thereof, the consideration offered pursuant to the Suncor Offer is inadequate, from a financial point of view, to Shareholders.

The full text of the written opinion of RBC Capital Markets is attached as Schedule B to this Directors' Circular. You are urged to read the opinion carefully and in its entirety for a description of the procedures

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

followed, matters considered and limitations on the review undertaken. The opinion addresses only the adequacy, from a financial point of view, of the consideration offered pursuant to the Suncor Offer to Shareholders. The opinion does not constitute a valuation of the Corporation or any of its securities or assets, nor does it constitute a recommendation to Shareholders as to whether they should tender their Common Shares.

RBC Capital Markets acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of Canadian Oil Sands, Suncor or any of their respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, RBC Capital Markets conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to Canadian Oil Sands, Suncor or any of their respective associates or affiliates and the Suncor Offer.

HOW TO WITHDRAW YOUR DEPOSITED COMMON SHARES

To reject the Suncor Offer, you should do nothing. Shareholders who have already tendered their Common Shares to the Suncor Offer can withdraw them at any time before their Common Shares have been taken up and paid for by Suncor pursuant to the Suncor Offer.

Shareholders who hold Common Shares through a brokerage firm should contact their broker to withdraw Common Shares on their behalf. If the Common Shares have been deposited pursuant to the procedures for book-entry transfer, as set out in Section 3 of the Suncor Offer to Purchase under the heading “Manner of Acceptance – Acceptance by Book-Entry Transfer”, any notice of withdrawal must specify the name and number of the account at CDS Clearing and Depository Services Inc. (“CDS”) or the Depository Trust Company (“DTC”), as applicable, to be credited with the withdrawn Common Shares and otherwise comply with the procedures of CDS or DTC, as applicable.

For assistance in withdrawing your Common Shares, you should contact your broker or Kingsdale, the information agent and strategic shareholder services advisor retained by Canadian Oil Sands, at 1-866-851-3215 or contactus@kingsdaleshareholder.com.

CANADIAN OIL SANDS LIMITED

Canadian Oil Sands is the only public investment vehicle that provides a non-diversified “pure play” ownership interest in Syncrude, a large oil sands mining project holding high-quality strategic oil sands leases, and the Syncrude Joint Venture, a joint venture formed for the purpose of governing the Syncrude project. Syncrude is located near Fort McMurray, Alberta, Canada and operates oil sands mines, bitumen extraction plants, an upgrading complex and utilities plants that collectively produce a single high quality, light, sweet synthetic crude oil blend, referred to as “Syncrude Sweet Premium”, which has an average gravity of about 32° API, low sulphur content of less than 0.2 per cent, a diesel cetane number of approximately 40 and a jet fuel smoke point of approximately 19 millimeters. The Corporation’s business is its indirect ownership of Syncrude and the marketing and sales of SCO derived from such ownership, as well as other products related to such Syncrude interest.

The Syncrude Joint Venture is owned as various undivided interests by the Syncrude participants and has produced SCO since 1978. The assets of the Syncrude Joint Venture are operated and managed by Syncrude Canada Ltd. (“SCL”), which is owned by the Syncrude participants in the same proportions as their interest in the Syncrude Joint Venture. SCL is a single purpose company that employs the SCL workforce and holds its retirement

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

plans but has no significant tangible or capital assets. The Syncrude management committee governs the Syncrude Joint Venture and each Syncrude participant nominates a representative to the committee, which is charged with making significant decisions and setting the strategic direction for the operation of the Syncrude Joint Venture.

CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of Common Shares and up to a maximum of 10,000,000 preferred shares, issuable in series. The holders of Common Shares are entitled to receive notice of and to attend all meetings of shareholders and vote at any such meeting on the basis of one vote for each Common Share held. As no preferred shares are issued and outstanding, the holders of Common Shares are entitled to receive any dividend declared by the Board of Directors and to receive the remaining property of the Corporation on a liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or on any other return of capital or distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs. As at October 16, 2015, an aggregate of 484,614,325 Common Shares were issued and outstanding. The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the symbol "COS". On October 2, 2015, the last trading day of the Common Shares prior to the public announcement by Suncor of its intention to make the Suncor Offer, the closing price of the Common Shares on the TSX was \$6.19.

SHAREHOLDER RIGHTS PLANS OF CANADIAN OIL SANDS

Canadian Oil Sands has two shareholder rights plans. The Existing Shareholder Rights Plan was adopted by Canadian Oil Sands effective December 31, 2010 following approval by 99% of the votes cast by Shareholders at a Shareholders' meeting in April 2010 and ratified and reconfirmed by 98% of the votes cast by Shareholders at a Shareholders' meeting in April 2013.

The Board of Directors adopted the New Shareholder Rights Plan on October 6, 2015. While the New Shareholder Rights Plan is substantially similar to the Existing Shareholder Rights Plan, it extends the period of time during which a Permitted Bid (as defined in the New Shareholder Rights Plan) must remain open from the not less than 60 day period found in the Existing Shareholder Rights Plan to not less than 120 days. As the Suncor Offer is only open for acceptance until December 4, 2015 (unless extended or withdrawn by Suncor), it would not be a Permitted Bid under the New Shareholder Rights Plan; however, the New Shareholder Rights Plan does not preclude Suncor from extending the Suncor Offer such that it remains open for acceptance for at least 120 days in order to qualify as a Permitted Bid under the New Shareholder Rights Plan. The New Shareholder Rights Plan does not replace or amend the Existing Shareholder Rights Plan, which remains in full force and effect.

The New Shareholder Rights Plan was adopted in response to the highly unique nature and circumstances of the Suncor Offer, including access to non-public information afforded to Suncor by virtue of its current interest in the Syncrude Joint Venture. In considering what, if any, steps should be taken to enable Shareholders to adequately consider the Suncor Offer, alongside any potential alternatives, including the adequacy of the Existing Shareholder Rights Plan and whether the New Shareholder Rights Plan was necessary and appropriate, the Board took into account, among other things: (i) the context in which Suncor has made the Suncor Offer, which involves historically low and volatile oil prices, significant political, economic and industry uncertainty, and ongoing review of royalty and environmental considerations of particular relevance to Canadian Oil Sands; (ii) the information imbalance between Suncor and Shareholders arising from the fact that Suncor, as a member of the Syncrude Joint Venture, at the time of making the Suncor Offer had the benefit of as yet undisclosed information about substantial reductions in the operating costs and capital expenditures for the Syncrude Joint Venture; and (iii) that

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

adequate time would be required for the Board to review, consider and evaluate potential value-enhancing and strategic alternatives which could be pursued with Syncrude or independently by the Corporation, particularly in light of the expected timing for public disclosure by Canadian Oil Sands of information derived from any update to Syncrude's 2015 budget and outlook for 2016 which is after the review by Syncrude owners. In the view of management and the Board, Suncor took unfair advantage of its position as a co-owner in Syncrude by relying on undisclosed inside information relating to the Syncrude Joint Venture and formulated its offer in a manner that takes advantage of Shareholders by failing to reflect these expected positive financial results and by deliberately timing the Suncor Offer to expire prior to the time that Canadian Oil Sands would be expected to publicly disclose information derived from any update to Syncrude's 2015 budget and outlook for 2016.

The New Shareholder Rights Plan was therefore adopted to: (i) ensure that Shareholders and the Board have adequate time to, among other things, review, consider and evaluate the Suncor Offer and any other unsolicited take-over bid, and that any take-over bid by Suncor or another third party constituting a Permitted Bid under the New Shareholder Rights Plan would remain open until such time as Canadian Oil Sands would be expected to publicly disclose information derived from any update to Syncrude's 2015 budget and outlook for 2016; (ii) provide Shareholders with a tender approval mechanism intended to ensure they can separate the decision to tender from the approval or disapproval of a particular take-over bid; and (iii) ensure that all Shareholders are treated fairly and have equal opportunity to participate in a take-over bid. The New Shareholder Rights Plan would also provide adequate time for the Board to review, consider and evaluate potential value-enhancing and strategic alternatives which could be pursued with Syncrude or independently by the Corporation. The 120 day period that a Permitted Bid must remain open for acceptance is also the same period of time that the Canadian securities regulators have proposed will be the minimum period of time that a take-over bid must remain open in their proposed amendments to the Canadian take-over bid regime as published in March 2015.

Summaries of each of the Existing Shareholder Rights Plan and the New Shareholder Rights Plan are set out in Schedule C of this Directors' Circular. These summaries only include the material terms and conditions of the plans and are qualified by and subject to the full terms and conditions of the Existing Shareholder Rights Plan and the New Shareholder Rights Plan, which are available on SEDAR at www.sedar.com.

OWNERSHIP OF SECURITIES OF CANADIAN OIL SANDS

The following table sets forth the names and positions of each director and officer of Canadian Oil Sands and the number and percentage of Common Shares, options to acquire Common Shares ("Options"), performance share units ("PSUs") and deferred share units ("DSUs") of Canadian Oil Sands beneficially owned, or over which control or direction is exercised by each such person and, where known after reasonable enquiry, by each associate and affiliate of any insider of Canadian Oil Sands, each associate and affiliate of Canadian Oil Sands, any insider of Canadian Oil Sands other than a director or officer of Canadian Oil Sands and each person acting jointly or in concert with Canadian Oil Sands as of October 19, 2015. None of the directors or officers hold any restricted share units ("RSUs") of Canadian Oil Sands, except as indicated in the footnotes of the following table.

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

Name and Position⁽¹⁾	Number of Common Shares Beneficially Owned or Controlled (Percentage of Common Shares Outstanding)⁽³⁾	Number of Options (Percentage of Options Outstanding)⁽⁴⁾	Number of PSUs (Percentage of PSUs Outstanding)⁽⁵⁾	Number of DSUs (Percentage of DSUs Outstanding)⁽⁶⁾
Ian A. Bourne Director	35,800 0.0074%	Nil 0%	Nil 0%	Nil 0%
Gerald W. Grandey Director	31,000 0.0064%	Nil 0%	Nil 0%	39,065 18.0670%
Arthur N. Korpach Director	19,155 0.0040%	Nil 0%	Nil 0%	24,449 11.3073%
Ryan M. Kubik President, Chief Executive Officer and Director	189,616 0.0391%	1,616,691 30.9352%	171,867 38.4147%	Nil 0%
Donald J. Lowry Chairman and Director	45,550 ⁽⁷⁾ 0.0094%	Nil 0%	Nil 0%	29,462 13.6257%
Sarah E. Raiss Director	22,180 0.0046%	Nil 0%	Nil 0%	7,150 3.3068%
John K. Read Director	2,972 ⁽⁸⁾ 0.0006%	Nil 0%	Nil 0%	40,894 18.9129%
Brant G. Sangster Director	20,340 0.0042%	Nil 0%	Nil 0%	34,309 15.8674%
Wesley R. Twiss Director	66,873 ⁽⁹⁾ 0.0138%	Nil 0%	Nil 0%	Nil 0%
John B. Zaozirny, Q.C. Director	26,167 0.0054%	Nil 0%	Nil 0%	40,894 18.9129%
Scott W. Arnold Director, Investor and Corporate Relations	6,747 0.0014%	97,821 1.8718%	9,984 2.2316%	Nil 0%
Philip D. Birkby Treasurer	54,226 ⁽¹⁰⁾ 0.0112%	159,540 3.0528%	14,699 3.2854%	Nil 0%
Trudy M. Curran Senior Vice President, General Counsel and Corporate Secretary	77,507 0.0160%	416,665 7.9728%	39,943 8.9278%	Nil 0%
Robert P. Dawson Chief Financial Officer	21,602 ⁽¹¹⁾ 0.0045%	500,801 9.5828%	54,845 12.2586%	Nil 0%
Siren Fisekci Vice President, Investor and Corporate Relations	43,653 ⁽¹²⁾ 0.0090%	163,701 3.1324%	15,639 3.4955%	Nil 0%

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

Name and Position⁽¹⁾	Number of Common Shares Beneficially Owned or Controlled (Percentage of Common Shares Outstanding)⁽³⁾	Number of Options (Percentage of Options Outstanding)⁽⁴⁾	Number of PSUs (Percentage of PSUs Outstanding)⁽⁵⁾	Number of DSUs (Percentage of DSUs Outstanding)⁽⁶⁾
Scott Greenshields ⁽²⁾ Vice President, Tax, Controller and Special Projects	18,200 0.0038%	127,012 2.4304%	8,715 1.9479%	Nil 0%
Darren K. Hardy Senior Vice President, Operations	26,558 ⁽¹³⁾ 0.0055%	321,830 6.1582%	32,515 7.2676%	Nil 0%
Adrienne Nickerson Vice President, Operations	6,821 0.0014%	114,350 2.1881%	12,724 2.8440%	Nil 0%
David J. Sirrs Vice President, Marketing	10,650 0.0022%	147,695 2.8261%	16,180 3.6165%	Nil 0%

- (1) The information as to securities beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of Canadian Oil Sands, has been furnished by the respective directors and officers.
- (2) Mr. Greenshields holds 5,168 RSUs, representing 7.4428% of the total RSUs outstanding, which were granted to him while he was an employee of Canadian Oil Sands prior to becoming an officer.
- (3) As of October 16, 2015, there were 484,614,325 Common Shares outstanding.
- (4) As of October 16, 2015, there were Options to acquire up to 5,226,053 Common Shares outstanding. For more information regarding Canadian Oil Sands' option plans, see "Arrangements between Canadian Oil Sands and its Directors and Officers – Options and Shares Based Awards – Canadian Oil Sands' Stock Option Plans".
- (5) As of October 16, 2015, there were 447,399 PSUs outstanding. For more information regarding Canadian Oil Sands' PSUs, see "Arrangements between Canadian Oil Sands and its Directors and Officers – Options and Shares Based Awards – Canadian Oil Sands' Equity Incentive Plans".
- (6) As of October 16, 2015, there were 216,223 DSUs outstanding. For more information regarding Canadian Oil Sands' DSUs, see "Arrangements between Canadian Oil Sands and its Directors and Officers – Options and Shares Based Awards – Canadian Oil Sands' DSU Plan".
- (7) 7,500 Common Shares are jointly held by Mr. Lowry and his spouse.
- (8) 650 Common Shares are held by John K. Read Investments Ltd.
- (9) 5,470 Common Shares are held by Mr. Twiss' spouse.
- (10) 42,000 Common Shares are held by Mr. Birkby's spouse. 5,500 Common Shares are jointly held by Mr. Birkby and his spouse.
- (11) 3,700 Common Shares are held by Mr. Dawson's spouse.
- (12) 624 Common Shares are held by Ms. Fisekci's son. 10 Common Shares are held by Ms. Fisekci's niece.
- (13) Mr. Hardy's Common Shares are jointly held by Mr. Hardy and his spouse.

PRINCIPAL HOLDERS OF SECURITIES OF CANADIAN OIL SANDS

To the knowledge of the directors and officers of Canadian Oil Sands, after reasonable inquiry, as at October 19, 2015, no person owned, directly or indirectly, or exercised control or direction over 10% or more of any class of securities of Canadian Oil Sands and no person acting jointly or in concert with Canadian Oil Sands owned any securities of Canadian Oil Sands.

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

TRADING IN SECURITIES OF CANADIAN OIL SANDS

Except as set out in Schedule D, during the six months preceding the date hereof, no director or officer of Canadian Oil Sands and, to the knowledge of the directors and officers of Canadian Oil Sands after reasonable enquiry, no insider of Canadian Oil Sands, no associate or affiliate of any director, officer or other insider of Canadian Oil Sands, no associate or affiliate of Canadian Oil Sands nor any person acting jointly or in concert with Canadian Oil Sands has traded any securities or rights to acquire securities of Canadian Oil Sands.

ISSUANCES OF SECURITIES OF CANADIAN OIL SANDS

Except as set out in Schedule E, no Common Shares or securities convertible into Common Shares have been issued to the current directors, officers or other insiders of Canadian Oil Sands during the two years preceding the date hereof.

OWNERSHIP OF SUNCOR SECURITIES BY DIRECTORS AND OFFICERS OF CANADIAN OIL SANDS

Except as set forth below, none of the directors and officers of Canadian Oil Sands and, to the knowledge of the directors and officers of Canadian Oil Sands after reasonable enquiry, no insider of Canadian Oil Sands, no associate or affiliate of any director, officer or other insider of Canadian Oil Sands, no associate or affiliate of Canadian Oil Sands nor any person acting jointly or in concert with Canadian Oil Sands beneficially owns, directly or indirectly, or exercises control or direction over, any securities of Suncor.

<u>Name</u>	<u>Number of Suncor common shares</u>
Arthur N. Korpach	10,000
Donald J. Lowry	122
Sarah E. Raiss	1,500
John K. Read	4,465 ⁽¹⁾
Brant G. Sangster	11,129
Wesley R. Twiss	18,402
Philip D. Birkby	2
Siren Fisekci	300 ⁽²⁾
Scott Greenshields	2,000
Darren K. Hardy	650 ⁽³⁾

(1) Held by Mr. Read's associate.

(2) Held by Ms. Fisekci's spouse.

(3) Mr. Hardy's shares are jointly held by Mr. Hardy and his spouse.

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

RELATIONSHIP BETWEEN SUNCOR AND DIRECTORS, OFFICERS AND SHAREHOLDERS OF CANADIAN OIL SANDS

Except as set out below, no agreement, commitment or understanding (including pursuant to which any payment or other benefit is to be made or given by way of compensation for loss of office or remaining or retiring from office if the Suncor Offer is successful) has been made or is proposed to be made between Suncor and any of the directors or officers of Canadian Oil Sands. None of the directors or officers of Canadian Oil Sands is a director or officer of Suncor or any subsidiary thereof. None of the directors and officers of Canadian Oil Sands and, to the knowledge of the directors and officers of Canadian Oil Sands after reasonable enquiry, none of their respective associates, has any interest in any material transaction to which Suncor is a party.

Messrs. Sangster and Twiss have agreements with a predecessor of Suncor relating to pension or pension like arrangements being made by Suncor as the successor to Petro-Canada to Mr. Sangster and Mr. Twiss relating to the time that each of these individuals worked as employees of Petro-Canada.

To the knowledge of the directors and officers of Canadian Oil Sands, no agreement, commitment or understanding has been made or is proposed to be made between Suncor and any Shareholder relating to the Suncor Offer.

ARRANGEMENTS BETWEEN CANADIAN OIL SANDS AND ITS DIRECTORS AND OFFICERS

Except as set forth below, no agreement, commitment or understanding (including pursuant to which any payment or other benefit is to be made or given by way of compensation for loss of office or remaining in or retiring from office if the Suncor Offer is successful) has been made or is proposed to be made between Canadian Oil Sands and any of its directors or officers.

Existing Employment Agreements with Officers

The Corporation has entered into employment or change of control agreements with each of Ms. Curran and Messrs. Kubik, Dawson and Hardy. No other officers have employment or change of control agreements. In the event that the conditions in the Suncor Offer are satisfied and Suncor takes up and pays for the Common Shares, and Suncor thereby owns a majority of the issued and outstanding Common Shares, the Suncor Offer will result in a "change of control" as defined in each such agreement.

Under the employment agreement of Ms. Curran, if a "change of control" occurs and there is a "constructive dismissal" within 360 days of the change of control, she will have the right to terminate her employment with the Corporation at any time within 180 days of the constructive dismissal by giving 30 days' written notice to the Corporation. In such case, or if the Corporation terminates the employment agreement at any time within 360 days following a change of control other than for cause, then the Corporation will become obligated to pay a cash amount equal to two times her annual base salary, annual target bonus and value of benefits and perquisites plus the Corporation will provide for the costs of professional outplacement services up to a combined maximum cost of \$25,000 for a maximum of six months following termination of employment.

Under the change of control agreement of each of Messrs. Dawson and Hardy, if a "change of control" occurs and there is a "constructive dismissal" within 365 days of the change of control, he will have the right to terminate his employment with the Corporation at any time within 90 days of the constructive dismissal, by giving

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

30 days' written notice to the Corporation. In the event Mr. Dawson or Mr. Hardy, as applicable, resigns as a result of a "constructive dismissal" within 365 days following a "change of control" or the Corporation terminates his employment at any time within 365 days following a change of control other than for cause, the Corporation will become obligated to pay a cash amount equal to two times his annual base salary, annual target bonus and the value of benefits and perquisites for a period of 24 months following his termination date.

When Mr. Kubik was appointed President and Chief Executive Officer on January 1, 2014, his prior employment agreement, which contained the same provisions as in the agreement with Ms. Curran, was terminated and a new employment agreement entered into. The new agreement with Mr. Kubik does not provide for payment of outplacement counselling services and provides that a trigger of the "change of control" provisions occurs if he terminates his employment as a result of a "good reason" within one calendar year of the "change of control". Otherwise the terms of Mr. Kubik's employment agreement relating to a "change of control" are generally consistent with his prior agreement.

A trigger of the "change of control" provisions under the employment agreements for each of Mr. Kubik and Ms. Curran also triggers an immediate vesting of all issued and outstanding Options and other awards held by him or her, as applicable.

The agreements for Messrs. Kubik, Dawson and Hardy and Ms. Curran define "constructive dismissal" or "good reason" to include: a material decrease in the title, position, responsibilities, powers or reporting relationships of the executive; a reduction in the annual base compensation salary; any material reduction in the value of the employment benefits (other than the annual target bonus); or any action which constitutes constructive dismissal. See below for summaries of the impact of a change of control under the long-term incentive plans (Options and PSUs) generally.

Estimated Termination Payments and Benefits following Change of Control

	Base Salary (\$)	Short-term Incentive (\$)	Options⁽¹⁾ (\$)	PSUs⁽²⁾ (\$)	Benefits and Perquisites (\$)	Total (\$)
Ryan M. Kubik	1,300,000	1,170,000	15,290	967,235	247,000	3,699,525
Robert P. Dawson	720,000	360,000	4,885	309,484	176,390	1,570,759
Trudy M. Curran	788,000	315,200	3,864	222,470	229,880	1,559,414
Darren K. Hardy	650,000	260,000	2,982	181,266	160,990	1,255,238

- (1) Option payout is based on \$0.01 per Option as the exercise price of the outstanding Options exceeds the Change of Control Price (as defined below).
- (2) For the purposes of the calculation, assumes the payout value as computed at September 30, 2015 is representative of the actual payout value that would be made on December 4, 2015. See below for summaries of the impact of a change of control under the Corporation's option plans and long-term incentive plans.

Option and Share Based Awards

It is a condition to the Suncor Offer that all Options, PSUs, RSUs and DSUs shall have been exercised, terminated or otherwise cancelled, will be assumed by the Offeror on terms satisfactory to the Offeror, in its sole

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

discretion, or shall have been otherwise dealt with on terms satisfactory to the Offeror, in its sole discretion. The below summary of the treatment of the Options, DSUs, PSUs and RSUs assumes that each will be dealt with in accordance with their terms.

Canadian Oil Sands' Stock Option Plans

The Options have been issued pursuant to the Corporation's transition option plan, as approved by the Shareholders on April 29, 2010 (the "Transition Option Plan") and its option plan, as approved by the Shareholder's on April 29, 2010 ("New Option Plan"). The directors and officers of the Corporation currently hold 199,957 Options under the Transition Option Plan and 3,466,149 Options under the New Option Plan.

Under the Transition Option Plan, on a change of control (as defined in the Transition Option Plan), all outstanding Options vest immediately and are exercisable up to the earlier of the expiry date for those Options and 90 days from the date of the change of control.

Under the New Option Plan, in the event of a change of control (as defined in the New Option Plan), all outstanding Options will be replaced with similar options of the entity resulting from the transaction on substantially the same terms and conditions as the New Option Plan, unless such replacement is not possible or practical, as the Board of Directors may, in its sole discretion, determine. If such determination is made, the Board may, in its sole discretion, accelerate the vesting of any or all outstanding Options under the New Option Plan to provide that such outstanding Options shall be fully vested and conditionally exercisable upon (or prior to) the completion of the transaction resulting in the change of control, provided that no Options will be exercisable beyond the expiry date of such Options. In the event the Board accelerates the vesting of any outstanding Options in this manner, all vested Options, unless exercised prior to or at the time of the change of control, will be purchased by the Corporation or by the entity that will control the Corporation after giving effect to the change of control, for an amount per Option equal to the fair market value of the Common Shares based on the consideration payable in the change of control transaction as determined by the Board (the "Change of Control Price") less the applicable exercise price of the Option (except that where the exercise price of an Option exceeds the Change of Control Price, the amount payable per such Option will be \$0.01).

Under the New Option Plan, if before the expiry of an Option, a change of control occurs and the participant ceases to be an employee by reason of termination:

- by the Corporation or by the entity that will control the Corporation after giving effect to the change of control for a period ending two years after the date of change of control and such termination was for any reason other than for cause; or
- by the participant within 60 days after an act of constructive dismissal, provided such act of constructive dismissal occurs during the two year period after the date of change of control,

the Options (or replacement options issued pursuant to the change of control transaction) vest and may be exercised or surrendered within 120 days of termination.

Canadian Oil Sands' DSU Plan

Pursuant to the Corporation's DSU Plan, non-employee directors are entitled to elect to participate in the DSU Plan. A DSU is a unit, equivalent in value to a Common Share, credited by means of a bookkeeping entry in the

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

books of the Corporation, to an account in the name of the director. DSUs are fully vested upon being credited to a participant's account. The number of DSUs granted to a director is determined by dividing (i) the amount to be paid to a director by (ii) the volume weighted average of the prices at which Common Shares traded on the TSX on the five trading days immediately preceding the date of grant. A participant's account will be credited with dividend equivalents in the form of additional DSUs as of each dividend payment date. The number of such additional DSUs paid to participants shall be calculated by dividing:

- the amount obtained by multiplying the amount of the dividend declared and paid per Common Share by the number of DSUs recorded in the participant's account on the record date for the payment of such dividend, by:
- the volume weighted average of the prices at which Common Shares traded on the TSX on the five trading days immediately following the dividend record date for the payment of the dividend on the Common Shares.

A participant has the right to elect to receive cash or payment in the form of Common Shares in respect of DSUs recorded in such participant's account at the end of the director's tenure as a member of the Board or such later date as the participant may elect prior to the end of such tenure, provided such later date is not later than December 1 of the calendar year following the calendar year in which the tenure ended.

In the event the participant elects to receive a cash payment for the DSUs, the participant will receive a cash payment equal to the number of DSUs recorded in the participant's account on the distribution date multiplied by the volume weighted average trading price of the Common Shares on the TSX on the five trading days immediately preceding the distribution date.

In the event the participant elects to receive Common Shares on the distribution date, the Corporation can issue from treasury to the participant the number of Common Shares equal to the number of DSUs in the participant's account or have such Common Shares purchased on the market.

See the table under the heading "Ownership of Securities of Canadian Oil Sands" for the number of DSUs held by each director. As described above, the payment amount under each DSU will be determined based on the volume weighted average trading price of the Common Shares on the TSX on the five trading days immediately prior to the distribution date.

Canadian Oil Sands' Equity Incentive Plans

PSUs and RSUs are both issuable under the Corporation's Equity Incentive Plan. PSUs are:

- earned on the third anniversary of the date of grant (i.e., cliff vest) and, upon earning, entitle the holder to receive an amount either in the form of Common Shares (purchased on the TSX or issued from treasury at the Corporation's option) or in cash equal to the aggregate current market value (based on the weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the date of the Common Shares being earned) of the number of Common Shares subject to the PSU award;

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

- earned dependent on the total shareholder return generated by Canadian Oil Sands (share price appreciation assuming dividends reinvested) relative to a peer comparison group established by the corporate governance and compensation committee and the Board; and
- adjusted for cumulative cash or number of Common Shares to be paid pursuant to the PSUs on each date that dividends are paid.

RSUs, which are for non-officers, have the same terms as the PSUs except that there is no performance factor, accordingly, do not have a performance multiplier (i.e., the RSUs vest at the end of three years following the grant).

In the event of change of control, all outstanding PSU and RSU awards will be replaced with similar units of the entity resulting from the transaction on substantially the same terms and conditions as the Equity Incentive Plan, unless replacement is not possible or practical, as determined by the Board of Directors, in its sole discretion. Upon the Corporation entering into an agreement relating to, or becoming aware of, a transaction which, if completed would result in a change of control, the corporate governance and compensation committee may, in its sole discretion, determine that the issue date for all Common Shares awarded pursuant to PSUs and RSUs shall be the date which is the date upon which a change of control is contemplated.

Upon a change of control, as defined in the Equity Incentive Plan, and the participant ceasing to be an employee by reason of termination:

- by the Corporation or by the entity that has entered into an agreement with the Corporation to effect the change of control at any time after such agreement is entered into or for a period ending two years after the date of change of control and such termination was for any reason other than for cause, or
- by the participant within 30 days after an act of constructive dismissal, provided such act of constructive dismissal occurs during the two year period after the date of change of control,

the issue date for the Common Shares awarded to such participant under any outstanding PSU or RSU award (or any replacement awards) will be the date of termination and all PSU or RSU awards (or replacement awards) will vest.

The payout multiplier and adjustment ratio, as applicable, will be determined as of the issue date.

Interests of Directors, Officers and Others in Material Transactions

As of October 19, 2015, no director or officer of Canadian Oil Sands, and no associate of any of such persons, has had any material interest, direct or indirect, in any transaction or in any proposed transaction which has materially affected or would materially affect Canadian Oil Sands or any of its subsidiaries, except as disclosed herein.

MATERIAL CHANGES IN THE AFFAIRS OF CANADIAN OIL SANDS

Except as otherwise described or referred to in this Directors' Circular or as otherwise publicly disclosed, no other information is known to the directors or officers of Canadian Oil Sands that indicates any material change

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

in the affairs or prospects of Canadian Oil Sands since July 30, 2015, the date of the last published interim financial report of Canadian Oil Sands.

OTHER INFORMATION

Except as disclosed in this Directors' Circular, there is no information that is known to the directors and officers of Canadian Oil Sands that would reasonably be expected to affect the decision of the Shareholders to accept or reject the Suncor Offer.

ALTERNATIVES TO THE SUNCOR OFFER

Except as set forth in this Directors' Circular, there are no transactions, Board of Directors' resolutions, agreements in principle or signed contracts that relate to or would result in: (i) an extraordinary transaction such as a merger, reorganization or liquidation involving Canadian Oil Sands or any of its subsidiaries; (ii) the purchase, sale, license or transfer of a material amount of assets of Canadian Oil Sands or any of its subsidiaries; (iii) a competing take-over bid; (iv) a bid by Canadian Oil Sands for its own securities or for those of another issuer; or (v) any material change in the present capitalization or dividend policy of Canadian Oil Sands.

There are no negotiations underway in response to the Suncor Offer that relate to or would result in one or more of the events referred to in the preceding paragraph. Notwithstanding the foregoing, the Board of Directors may in the future engage in negotiations in response to the Suncor Offer that could have one or more of the effects specified in the preceding paragraph. The Board of Directors has determined that disclosure with respect to the parties to, and the possible terms of, any transactions or proposals of the type referred to in the preceding paragraph might jeopardize any discussions or negotiations that Canadian Oil Sands may conduct. Accordingly, Canadian Oil Sands does not intend to disclose the possible terms of any such transaction or proposal until an agreement in principal relating thereto has been reached or as otherwise may be required by law.

OTHER PERSONS RETAINED IN CONNECTION WITH THE SUNCOR OFFER

In addition to the external legal and financial advisors described above, Canadian Oil Sands has retained the persons described below in connection with the Suncor Offer.

Canadian Oil Sands has retained Kingsdale to provide strategic advisory and information agent services with respect to the Suncor Offer. Kingsdale will receive reasonable and customary compensation for its services and will be reimbursed for its disbursements. Canadian Oil Sands has agreed to indemnify Kingsdale against certain liabilities arising out of or in connection with the engagement.

Canadian Oil Sands has also retained Lute & Company to provide communications consulting services, including in connection with the Suncor Offer and certain related matters. Lute & Company will receive reasonable and customary compensation for its services and will be reimbursed for its reasonable out-of-pocket expenses. Canadian Oil Sands has agreed to indemnify Lute & Company against certain liabilities arising out of or in connection with the engagement.

Except as set forth above, neither Canadian Oil Sands nor any person acting on its behalf has employed, retained or agreed to compensate any person making solicitations or recommendations to Shareholders in connection with the Suncor Offer.

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

ADDITIONAL INFORMATION

Except as set out below, the Board of Directors is not aware of any information in the Suncor Circular that has been presented incorrectly or is misleading (capitalized terms used in this section and not otherwise defined in this Directors' Circular have the respective meanings given to them in the Suncor Circular):

- **Holders Resident in Canada – Disposition of Shares Pursuant to the Offer – Taxation of Capital Gains and Capital Losses**

The second sentence in the first paragraph under the heading “Holders Resident in Canada – Disposition of Shares Pursuant to the Offer – Taxation of Capital Gains and Capital Losses” on page 64 of the Suncor Circular is incomplete. It should read as follows, with the underlined text added:

“Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an “allowable capital loss”) realized in a taxation year from taxable capital gains realized by the Resident Holder in the year and allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years.”

- **Holders Resident in Canada – Disposition of Shares Pursuant to the Offer – Additional Refundable Tax**

Under the heading “Holders Resident in Canada – Disposition of Shares Pursuant to the Offer – Additional Refundable Tax” on page 64 of the Directors' Circular, the reference to the tax rate being 66⅔% is incorrect. The correct rate is 6⅔%.

- **Disposition of Shares Pursuant to a Compulsory Acquisition**

The discussion under the heading “Holders Resident in Canada – Disposition of Shares Pursuant to a Compulsory Acquisition” on page 65 of the Suncor Circular and under the heading “Holders Not Resident in Canada – Disposition of Shares Pursuant to a Compulsory Acquisition” on page 67 of the Suncor Circular does not address the circumstances where the a Resident Holder who dissents and obtains an order from a court of competent jurisdiction fixing the fair value of its Shares is paid such amount by Suncor wholly, or partially, in the form of cash. In such circumstances, a dissenting Holder will be considered to have disposed of the Shares for proceeds of disposition equal to the amount received (not including the amount of any interest awarded by the court) and will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of reasonable costs of disposition, exceed (or are less than) the aggregate adjusted cost base of the Shares to the dissenting Holder immediately prior to the time of their disposition. The automatic rollover deferral provisions in Section 85.1 of the Tax Act will not be applicable. The tax treatment of the capital gain (or capital loss) to a dissenting Resident Holder will generally be as described under the heading “Holders Resident in Canada – Disposition of Shares Pursuant to the Offer – Taxation of Capital Gains and Capital Losses” in the Suncor Circular and the tax treatment of the capital gain (or capital loss) to a dissenting Non-Resident Holder will generally be as described under the heading Holders Not Resident in Canada – Disposition of Shares Pursuant to the Offer in the Suncor Circular.

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

STATUTORY RIGHTS

Securities legislation in the provinces and territories of Canada provides securityholders of Canadian Oil Sands with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or a notice that is required to be delivered to those securityholders. However, such rights must be exercised within prescribed time limits. Securityholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

APPROVAL OF THE DIRECTORS' CIRCULAR

The contents of this Directors' Circular have been approved by the Board of Directors and the delivery of this Directors' Circular has been authorized by the Board of Directors.

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

CERTIFICATE

DATED: October 19, 2015

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

On behalf of the Board of Directors

(signed) “*Donald J. Lowry*”

Donald J. Lowry
Chairman of the Board

(signed) “*Arthur N. Korpach*”

Arthur N. Korpach
Chair, Audit Committee

REJECT THE SUNCOR OFFER AND DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your shares to the hostile Suncor Offer, you can withdraw your shares by contacting your broker or Kingsdale Shareholder Services, North America Toll-Free at 1-866-851-3215; or via email at contactus@kingdaleshareholder.com

SCHEDULE A

GLOSSARY

Unless the context otherwise requires or where otherwise provided, the following words and terms shall have the meanings set forth below when used in this Directors' Circular, including the Schedules thereto.

"ABCA" means the *Business Corporations Act* (Alberta).

"affiliate" includes any person that constitutes an affiliate under the applicable rules of Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids*.

"associate" has the meaning ascribed thereto in Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids*.

"bbl" means barrel of oil.

"bbl/d" means barrels of oil per day.

"Board" or **"Board of Directors"** means the board of directors of Canadian Oil Sands.

"Canadian Oil Sands" or the **"Corporation"** means Canadian Oil Sands Limited, a corporation existing under the ABCA.

"CBCA" means the *Canada Business Corporations Act*.

"Common Shares" means the common shares of Canadian Oil Sands.

"directors" means the members of the Board of Directors being, as of the date of this Directors' Circular, Ian A. Bourne, Gerald W. Grandey, Arthur N. Korpach, Ryan M. Kubik, Donald J. Lowry, Sarah E. Raiss, John K. Read, Brant G. Sangster, Wesley R. Twiss and John B. Zaozirny.

"Existing Shareholder Rights Plan" means the shareholder rights plan of Canadian Oil Sands adopted effective as of December 31, 2010 and amended on April 30, 2013.

"GAAP" means generally accepted accounting principles in Canada.

"GLJ" means GLJ Petroleum Consultants Ltd., the Corporation's independent reserves evaluator.

"Implied Offer Price" as of a particular date means the amount that is equal to 0.25 multiplied by the closing price of the Suncor common shares as at that date on the TSX.

"insider" has the meaning ascribed thereto in the *Securities Act* (Alberta).

"Kingsdale" means Kingsdale Shareholder Services, the information agent and strategic shareholder services advisor retained by Canadian Oil Sands in connection with the Suncor Offer.

"Mbbbl/d" means thousand barrels of oil per day.

"MM" means million.

"MMbbbl" means million barrels of oil.

“probable reserves” are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

“proved developed producing reserves” or **“PDP”** are those reserves that correspond to volumes recoverable through installed extraction equipment and infrastructure operational at the time of the reserves estimate.

“proved plus probable reserves” are those additional reserves that are less certain to be recovered than proved reserves. NI 51-101 defines the certainty level as “at least a 50 per cent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves.” Therefore, under NI 51-101, the proved plus probable reserves represent a “best estimate” or “expected reserves”.

“proved reserves” are those reserves that can be estimated with a high degree of certainty to be recoverable. NI 51-101 further identifies the certainty level for proved reserves as “at least a 90 per cent probability that the quantities actually recovered will equal or exceed the estimated proved reserves”.

“New Shareholder Rights Plan” means the shareholder rights plan of Canadian Oil Sands adopted effective as of October 6, 2015.

“NI 51-101” means National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities.

“officer” has the meaning ascribed thereto in the *Securities Act* (Alberta).

“RBC Capital Markets” means RBC Dominion Securities Inc., a member company of RBC Capital Markets, the financial advisor retained by Canadian Oil Sands in connection with the Suncor Offer to provide advice to the Board of Directors.

“SCO” means upgraded synthetic crude oil, and refers to Syncrude’s production and sales volumes.

“Shareholders” means the holders of the Common Shares.

“Suncor” means Suncor Energy Inc., a corporation existing under the CBCA.

“Suncor Circular” means the offer to purchase and accompanying bid circular dated October 5, 2015 of Suncor relating to the Suncor Offer.

“Suncor Offer” means the offer made by Suncor to acquire all of the outstanding Common Shares and any associated rights issued under the Existing Shareholder Rights Plan, for 0.25 of a common share of Suncor for each Common Share.

“Syncrude Joint Venture” means a joint venture formed for the purpose of governing the Syncrude project.

“TSX” means the Toronto Stock Exchange.

“WTI” means West Texas Intermediate.

SCHEDULE B

OPINION OF RBC CAPITAL MARKETS



October 18, 2015

The Board of Directors
Canadian Oil Sands Limited
2000 First Canadian Centre
350 7th Avenue S.W.
Calgary, Alberta T2P 3N9

To the Board of Directors:

RBC Dominion Securities Inc. (“RBC”), a member company of RBC Capital Markets, understands that Suncor Energy Inc. (“Suncor”) has made an offer to purchase all of the issued and outstanding common shares (the “Shares”) of Canadian Oil Sands Limited (the “Company”) for consideration equal to 0.25 of a Suncor common share per Share (the “Offer”). The terms of the Offer are more fully described in an offer to purchase and take-over bid circular, dated October 5, 2015 (collectively, the “Circular”), which has been mailed to holders of the Shares (“Shareholders”) in connection with the Offer.

The Company has retained RBC to provide advice and assistance to the board of directors of the Company (the “Board”) in evaluating the Offer, including the preparation and delivery to the Board of RBC’s opinion as to the fairness of the consideration under the Offer from a financial point of view to the Shareholders (the “Opinion”). RBC has not prepared a valuation of the Company or any of its securities or assets and the Opinion should not be construed as such.

Engagement

The Company initially contacted RBC regarding a potential advisory assignment in March 2015, and RBC was formally engaged by the Company through an agreement between the Company and RBC dated March 13, 2015 (the “Engagement Agreement”). The terms of the Engagement Agreement provide that RBC is to be paid a fee for its services as financial advisor, including fees that are contingent on a change of control of the Company or certain other events. In addition, RBC is to be reimbursed for its reasonable out-of-pocket expenses and is to be indemnified by the Company in certain circumstances. RBC consents to the inclusion of the Opinion in its entirety and a summary thereof in the directors’ circular to be mailed to Shareholders (the “Directors’ Circular”) and to the filing thereof, as necessary, by the Company with the securities commissions or similar regulatory authorities in Canada and the United States.

RBC acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Company, Suncor or any of their respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, RBC conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Company, Suncor or any of their respective associates or affiliates and the Offer.

Credentials of RBC Capital Markets

RBC is one of Canada's largest investment banking firms, with operations in all facets of corporate and government finance, corporate banking, mergers and acquisitions, equity and fixed income sales and trading and investment research. RBC Capital Markets also has significant operations in the United States and internationally. The Opinion expressed herein represents the opinion of RBC and the form and content herein have been approved for release by a committee of its directors, each of whom is experienced in merger, acquisition, divestiture and opinion matters.

Scope of Review

In connection with our Opinion, we have reviewed and relied upon or carried out, among other things, the following:

1. the Circular;
2. the most recent draft, dated October 17, 2015, of the Directors' Circular (the "Draft Directors' Circular");
3. audited financial statements of the Company for each of the five years ended December 31, 2010 through 2014;
4. unaudited interim reports of the Company for the quarters ended March 31, 2015 and June 30, 2015;
5. annual reports of the Company for each of the two years ended December 31, 2013 and 2014;
6. the Notice of Annual General Meeting and Management Proxy Circulars of the Company for each of the two years ended December 31, 2013 and 2014;
7. annual information forms of the Company for each of the two years ended December 31, 2013 and 2014;
8. unaudited historical operating and financial information of the Company and the Syncrude project ("Syncrude") for each of the two years ended December 31, 2013 and 2014;
9. the internal management budget of the Company for the year ending December 31, 2015;
10. the unaudited projected operating and financial information of the Company and Syncrude, prepared by management of the Company and Syncrude, respectively, for the years ending December 31, 2016 through 2085;
11. audited financial statements of Suncor for each of the five years ended December 31, 2010 through 2014;
12. unaudited interim reports of Suncor for the quarters ended March 31, 2015 and June 30, 2015;
13. annual reports of Suncor for each of the two years ended December 31, 2013 and 2014;
14. the Notice of Annual General Meeting and Management Proxy Circulars of Suncor for each of the two years ended December 31, 2013 and 2014;
15. annual information forms of Suncor for each of the two years ended December 31, 2013 and 2014;
16. discussions with senior management of the Company;
17. discussions with the Company's legal counsel;
18. public information relating to the business, operations, financial performance and stock trading history of the Company, Suncor and other selected public companies considered by us to be relevant;
19. public information with respect to other transactions of a comparable nature considered by us to be relevant;
20. public information regarding the Canadian oil sands and global oil and gas industries;

21. representations contained in a certificate addressed to us, dated as of the date hereof, from senior officers of the Company as to the completeness and accuracy of the information upon which the Opinion is based; and
22. such other corporate, industry and financial market information, investigations and analyses as RBC considered necessary or appropriate in the circumstances.

RBC has not, to the best of its knowledge, been denied access by the Company to any information requested by RBC.

Assumptions and Limitations

With the Board's approval and as provided for in the Engagement Agreement, RBC has relied upon the completeness, accuracy and fair presentation of all of the financial (including, without limitation, the financial statements of the Company) and other information, data, advice, opinions or representations obtained by it from public sources, senior management of the Company, and their consultants and advisors (collectively, the "Information"). The Opinion is conditional upon such completeness, accuracy and fair presentation of such Information. Subject to the exercise of professional judgment and except as expressly described herein, we have not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information.

Senior officers of the Company have represented to RBC in a certificate delivered as of the date hereof, among other things, that (i) the Information (as defined above) provided orally by, or in the presence of, an officer or employee of the Company or in writing by the Company or any of its subsidiaries or their respective agents to RBC for the purpose of preparing the Opinion was, at the date the Information was provided to RBC, and is complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact in respect of the Company, its subsidiaries or the Offer and did not and does not omit to state a material fact in respect of the Company, its subsidiaries or the Offer necessary to make the Information or any statement contained therein not misleading in light of the circumstances under which the Information was provided or any statement was made; and that (ii) since the dates on which the Information was provided to RBC, except as disclosed in writing to RBC, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its subsidiaries and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion.

In preparing the Opinion, RBC has made several assumptions, including that all of the conditions required to implement the Offer will be met and that the disclosure provided or incorporated by reference in the Circular and Draft Directors' Circular with respect to the Company, Suncor, their respective subsidiaries and affiliates and the Offer is accurate in all material respects.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of the Company, Suncor and their respective subsidiaries and affiliates, as they were reflected in the Information and as they have been represented to RBC in discussions with management of the Company. In its analyses and in preparing the Opinion, RBC made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of RBC or any party involved in the Offer.

The Opinion has been provided for the use of the Board and may not be used by any other person or relied upon by any other person other than the Board without the express prior written consent of RBC. The Opinion is given as of the date hereof and RBC disclaims any undertaking or

obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to RBC's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Opinion after the date hereof, RBC reserves the right to change, modify or withdraw the Opinion.

RBC believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. The Opinion is not to be construed as a recommendation to any Shareholder as to whether to tender Shares to the Offer.

Conclusion

Based upon and subject to the foregoing, RBC is of the opinion that, as of the date hereof, the consideration under the Offer is inadequate from a financial point of view to the Shareholders.

Yours very truly,

RBC Dominion Securities Inc.

RBC DOMINION SECURITIES INC.

SCHEDULE C

SUMMARY OF EXISTING AND NEW SHAREHOLDER RIGHTS PLANS

The summaries of the Existing Shareholder Rights Plan and New Shareholder Rights Plan set out herein only include the material terms and conditions of those plans. The summaries are qualified by and are subject to the full terms and conditions of the Existing Shareholder Rights Plan and New Shareholder Rights Plan. The full text of the Existing Shareholder Rights Plan is contained in an agreement dated as of December 31, 2010 and amended on April 30, 2013 between Canadian Oil Sands and Computershare Investor Services Inc., as rights agent, which is available on SEDAR at www.sedar.com. The full text of the New Shareholder Rights Plan is contained in an agreement dated as of October 6, 2015 between Canadian Oil Sands and Computershare Investor Services Inc., as rights agent, which is available on SEDAR at www.sedar.com.

Existing Shareholder Rights Plan

Issue of Rights

The Existing Shareholder Rights Plan was adopted by the Board on February 23, 2010 and approved by Shareholders on April 29, 2010, such that it came into effect on December 31, 2010 (for purposes of this section, the "Effective Date"). As of 12:01 a.m. (Mountain Time) on the Effective Date, one right (for purposes of this section, a "Right") was issued pursuant to the Existing Shareholder Rights Plan and attached to each Common Share then outstanding and one Right will also be issued and attach to each Common Share and any other shares in the capital of Canadian Oil Sands entitled to vote in the election of directors (collectively, "Voting Shares") subsequently issued prior to the Separation Time (as defined below).

Separation of Rights

The Rights will become exercisable and begin to trade separately from the associated Common Shares at the "Separation Time" under the Existing Shareholder Rights Plan, which is the close of business on the eighth trading day after the earlier of:

- (a) the first date of public announcement that a person (an "Acquiring Person") has acquired beneficial ownership of 20% or more of the outstanding Voting Shares (subject to certain exceptions set forth in the Existing Shareholder Rights Plan);
- (b) the date of the commencement of or first public announcement of the intent of any person (other than Canadian Oil Sands or any of its subsidiaries) to commence a take-over bid, other than a Permitted Bid or a Competing Permitted Bid (each as defined below), where the Voting Shares subject to the bid together with those beneficially owned by that person would constitute 20% or more of the outstanding Voting Shares; and
- (c) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such,

or such later date as may be determined by the Board, provided that, if any such take-over bid expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such take-over bid is deemed for purposes of the definition of "Separation Time", never to have been made.

Trading and Exercise of Rights

Notwithstanding the effectiveness of the Existing Shareholder Rights Plan, certificates representing the Rights have not been sent to the Shareholders and the Rights are not exercisable until the Separation Time. The Rights will separate from the Common Shares and will be exercisable at the Separation Time.

The acquisition by an Acquiring Person of 20% or more of the Voting Shares is referred to as a “Flip-in Event”. When a Flip-in Event occurs, each Right (except for Rights beneficially owned by an Acquiring Person, its affiliates, associates or persons acting jointly or in concert or certain transferees of an Acquiring Person, which Rights will become void) becomes a right to purchase from Canadian Oil Sands, upon exercise thereof in accordance with the terms of the Existing Shareholder Rights Plan, that number of Common Shares having an aggregate market price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price (as defined below) for an amount in cash equal to the Exercise Price, subject to adjustment in accordance with the Existing Shareholder Rights Plan. The initial exercise price under each Right (for purposes of this section, the “Exercise Price”) is three times the per unit daily closing sale price of the trust units of Canadian Oil Sands Trust (predecessor to Canadian Oil Sands) on the TSX on each of the five trading days immediately preceding the Effective Date.

The issue of the Rights is not initially dilutive. However, upon a Flip-in Event occurring and the Rights separating from the Common Shares and being exercised, holders of Rights not exercising their Rights may suffer substantial dilution.

Certificates and Transferability

Prior to the separation of the Rights from the Common Shares, the Rights are evidenced by a legend imprinted on certificates for Common Shares issued from and after the Effective Date and are not to be transferable separately from the Common Shares. From and after the separation of the Rights from the Common Shares, the Rights will be evidenced by Rights certificates which will be transferable separately from the Common Shares.

Permitted Bids

The Existing Shareholder Rights Plan includes a “Permitted Bid” concept whereby a take-over bid will not trigger a separation of the Rights (and will not cause the Rights to become exercisable) if the bid meets certain conditions. A “Permitted Bid” under the Existing Shareholder Rights Plan is an offer to acquire Voting Shares made by means of a take-over bid circular where the Voting Shares (including Voting Shares that may be acquired upon conversion of securities convertible into Voting Shares) subject to the offer, together with Voting Shares beneficially owned by the offeror at the date of the offer, constitute 20% or more of the outstanding Voting Shares and that also complies with the following additional provisions:

- (a) the bid must be made to all holders of Voting Shares other than the offeror;
- (b) the bid must contain, and the take-up and payment for securities tendered or deposited must be subject to, an irrevocable and unqualified condition that no Voting Shares will be taken up or paid for pursuant to the bid:
 - (i) prior to the close of business on a date which is not less than 60 days following the date of the bid, and
 - (ii) unless at such date more than 50% of the Voting Shares held by Independent Shareholders (as defined below) shall have been deposited or tendered pursuant to the bid and not withdrawn;
- (c) unless the bid is withdrawn, the bid must contain an irrevocable and unqualified provision that Voting Shares may be deposited pursuant to such bid at any time during the period described in (b)(i) above and that any Voting Shares deposited pursuant to the bid may be withdrawn until taken up and paid for; and

- (d) unless the bid is withdrawn, the bid must contain an irrevocable and unqualified provision that in the event that the deposit condition set forth in (b)(ii) above is satisfied the offeror will make a public announcement of that fact and the bid will remain open for deposits and tenders of Voting Shares for not less than 10 business days from the date of such public announcement.

“Independent Shareholders” means holders of Voting Shares, other than: (i) any Acquiring Person, (ii) any offeror making a take-over bid, (iii) any affiliate or associate of any Acquiring Person or offeror, (iv) any person acting jointly or in concert with any Acquiring Person or offeror, and (v) any employee benefit, stock purchase or certain other plans or trusts for employees of Canadian Oil Sands or its subsidiaries unless the beneficiaries of such plans or trusts direct the voting or tendering to a take-over bid.

Competing Permitted Bid

A “Competing Permitted Bid” under the Existing Shareholder Rights Plan is a take-over bid made after a Permitted Bid has been made and prior to expiry of such Permitted Bid that satisfies all of the provisions of a Permitted Bid, except that it must remain open for acceptance until at least the later of: (a) 35 days after the date of the bid, and (b) 60 days after the earliest date on which any other Permitted Bid then in existence was made.

Waiver

The Board, acting in good faith, may, prior to the occurrence of a Flip-in Event, waive the application of the Existing Shareholder Rights Plan to a particular Flip-in Event (an “Exempt Acquisition”) where the take-over bid is made by way of a take-over bid circular to all Shareholders. Where the Board exercises the waiver power for one take-over bid, the waiver will also apply to any other take-over bid for Canadian Oil Sands made by way of a take-over bid circular to all holders of Voting Shares prior to the expiry of any other bid for which the Existing Shareholder Rights Plan has been waived. The Board may also waive the application of the Existing Shareholder Rights Plan if a person becomes an Acquiring Person by inadvertence on the condition that such person must reduce its beneficial ownership within 14 days, or such earlier or later date as the Board may determine, such that it is no longer an Acquiring Person.

Redemption

Prior to the occurrence of a Flip-in Event, the Board, with the approval of the majority of votes cast by holders of Voting Shares (or the holders of Rights if the Rights have separated from the Voting Shares) may redeem all of the then outstanding Rights at \$0.00001 per Right as adjusted by the terms of the Existing Shareholder Rights Plan (for purposes of this section, the “Redemption Price”). Rights shall also be redeemed by the Board at the Redemption Price without such approval following completion of a Permitted Bid, Competing Permitted Bid or Exempt Acquisition.

Protection Against Dilution

The Exercise Price, the number and kind of securities which may be purchased upon the exercise of Rights and the number of Rights outstanding are subject to adjustment from time to time to prevent dilution in the event of stock dividends, subdivisions, consolidations, reclassifications or other changes in the outstanding Common Shares, pro rata distributions to holders of Common Shares and other circumstances where adjustments are required to appropriately protect the interests of the holders of Rights.

Amendment

The Board may amend the Existing Shareholder Rights Plan with the approval of a majority of votes cast by holders of Voting Shares (or the holders of the Rights if the Rights have separated from the Voting Shares) voting in person and by proxy at a meeting duly called for that purpose. The Board, without such approval, may correct clerical or typographical errors and, subject to the subsequent approval as noted above at the next

meeting of holders of Voting Shares (or holders of Rights, as the case may be), may make amendments to the Existing Shareholder Rights Plan to maintain its validity due to changes in applicable legislation.

Term

Provided that a Flip-in Event that has not been waived has not occurred, the Existing Shareholder Rights Plan will terminate on the earlier of: (a) Canadian Oil Sands' annual and special meeting of Shareholders in 2016, if not reconfirmed or presented for reconfirmation at such annual meeting, and (b) the ninth anniversary of the Effective Date.

Exemptions for Investment Advisors

Investment managers (for fully managed accounts), mutual funds and their managers, trust companies (acting in their capacities as trustees and administrators), statutory bodies whose business includes the management of funds, administrators of registered pension plans and crown agents acquiring 20% or more of the Voting Shares are exempted from triggering a Flip-in Event, provided that they are not making, or are not part of a group making, a takeover bid.

New Shareholder Rights Plan

Issue of Rights

As of 12:01 a.m. (Mountain Time) on October 6, 2015 (for purposes of this section, the "Effective Date"), one right (for purposes of this section, a "Right") was issued pursuant to the New Shareholder Rights Plan and attached to each Common Share then outstanding and one Right will also be issued and attach to each Voting Share subsequently issued prior to the Separation Time (as defined below).

Separation of Rights

The Rights will become exercisable and begin to trade separately from the associated Common Shares at the "Separation Time" under the New Shareholder Rights Plan, which is the close of business on the eighth trading day after the earlier of:

- (a) the first date of public announcement that an Acquiring Person has acquired beneficial ownership of 20% or more of the outstanding Voting Shares (subject to certain exceptions set forth in the New Shareholder Rights Plan);
- (b) the date of the commencement of or first public announcement of the intent of any person (other than Canadian Oil Sands or any of its subsidiaries), including on a date prior to the Effective Date, to commence a take-over bid, other than a Permitted Bid or a Competing Permitted Bid (each as defined below), where the Voting Shares subject to the bid together with those beneficially owned by that person would constitute 20% or more of the outstanding Voting Shares; and
- (c) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such,

or such later date as may be determined by the Board, provided that, if any such take-over bid expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such take-over bid is deemed for purposes of the definition of "Separation Time", never to have been made.

In accordance with the New Shareholder Rights Plan, the Board has determined to defer the Separation Time triggered by the Suncor Offer to a later date to be determined by the Board.

Trading and Exercise of Rights

Notwithstanding the effectiveness of the New Shareholder Rights Plan, the Rights are not exercisable until the Separation Time and certificates representing the Rights have not been sent to the Shareholders. The Rights will separate from the Common Shares and will be exercisable at the Separation Time.

When a Flip-in Event occurs, each Right (except for Rights beneficially owned by an Acquiring Person, its affiliates, associates or persons acting jointly or in concert or certain transferees of an Acquiring Person, which Rights will become void) becomes a right to purchase from Canadian Oil Sands, upon exercise thereof in accordance with the terms of the New Shareholder Rights Plan, that number of Common Shares having an aggregate market price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price (as defined below) for an amount in cash equal to the Exercise Price, subject to adjustment in accordance with the New Shareholder Rights Plan. The initial exercise price under each Right (for purposes of this section, the "Exercise Price") is six times the per share daily closing sale price of the Common Shares on the TSX on each of the five trading days immediately preceding the Effective Date.

The issue of the Rights is not initially dilutive. However, upon a Flip-in Event occurring and the Rights separating from the Common Shares and being exercised, holders of Rights not exercising their Rights may suffer substantial dilution.

Certificates and Transferability

Prior to the separation of the Rights from the Common Shares, the Rights are evidenced by a legend imprinted on certificates for Common Shares issued from and after the Effective Date and are not to be transferable separately from the Common Shares. From and after the separation of the Rights from the Common Shares, the Rights will be evidenced by Rights certificates which will be transferable separately from the Common Shares.

Permitted Bids

The New Shareholder Rights Plan includes a "Permitted Bid" concept whereby a take-over bid will not trigger a separation of the Rights (and will not cause the Rights to become exercisable) if the bid meets certain conditions. A "Permitted Bid" under the New Shareholder Rights Plan is an offer to acquire Voting Shares made by means of a take-over bid circular where the Voting Shares (including Voting Shares that may be acquired upon conversion of securities convertible into Voting Shares) subject to the offer, together with Voting Shares beneficially owned by the offeror at the date of the offer, constitute 20% or more of the outstanding Voting Shares and that also complies with the following additional provisions:

- (a) the bid must be made to all holders of Voting Shares other than the offeror;
- (b) the bid must contain, and the take-up and payment for securities tendered or deposited must be subject to, an irrevocable and unqualified condition that no Voting Shares will be taken up or paid for pursuant to the bid:
 - (i) prior to the close of business on a date which is not less than 120 days following the date of the bid, and
 - (ii) unless at such date more than 50% of the Voting Shares held by Independent Shareholders (as defined below) shall have been deposited or tendered pursuant to the bid and not withdrawn;
- (c) unless the bid is withdrawn, the bid must contain an irrevocable and unqualified provision that Voting Shares may be deposited pursuant to such bid at any time during the period described in

(b)(i) above and that any Voting Shares deposited pursuant to the bid may be withdrawn until taken up and paid for; and

- (d) unless the bid is withdrawn, the bid must contain an irrevocable and unqualified provision that in the event that the deposit condition set forth in (b)(ii) above is satisfied the offeror will make a public announcement of that fact and the bid will remain open for deposits and tenders of Voting Shares for not less than 10 business days from the date of such public announcement.

Competing Permitted Bid

A “Competing Permitted Bid” under the New Shareholder Rights Plan is a take-over bid made after a Permitted Bid has been made and prior to expiry of such Permitted Bid that satisfies all of the provisions of a Permitted Bid, except that it must remain open for acceptance until at least the later of: (a) 35 days after the date of the bid, and (b) 120 days after the earliest date on which any other Permitted Bid then in existence was made.

Waiver

The Board, acting in good faith, may, prior to the occurrence of a Flip-in Event, waive the application of the New Shareholder Rights Plan to an Exempt Acquisition where the take-over bid is made by way of a take-over bid circular to all Shareholders. Where the Board exercises the waiver power for one take-over bid, the waiver will also apply to any other take-over bid for Canadian Oil Sands made by way of a take-over bid circular to all holders of Voting Shares prior to the expiry of any other bid for which the New Shareholder Rights Plan has been waived. The Board may also waive the application of the New Shareholder Rights Plan if a person becomes an Acquiring Person by inadvertence on the condition that such person must reduce its beneficial ownership within 14 days, or such earlier or later date as the Board may determine, such that it is no longer an Acquiring Person.

Redemption

Prior to the occurrence of a Flip-in Event, the Board may redeem all of the then outstanding Rights at \$0.00001 per Right as adjusted by the terms of the New Shareholder Rights Plan (for purposes of this section, the “Redemption Price”). Rights shall also be redeemed by the Board at the Redemption Price following completion of a Permitted Bid, Competing Permitted Bid or Exempt Acquisition.

Protection Against Dilution

The Exercise Price, the number and kind of securities which may be purchased upon the exercise of Rights and the number of Rights outstanding are subject to adjustment from time to time to prevent dilution in the event of stock dividends, subdivisions, consolidations, reclassifications or other changes in the outstanding Common Shares, pro rata distributions to holders of Common Shares and other circumstances where adjustments are required to appropriately protect the interests of the holders of Rights.

Amendment

Canadian Oil Sands may at any time prior to or after the Separation Time amend, supplement, vary, delete, restate, rescind, confirm or maintain the New Shareholder Rights Plan or any of the provisions thereof and/or the Rights in its sole discretion by resolution of the Board (whether or not such action would materially adversely affect the interests of the holders of Voting Shares, securities convertible into Voting Shares and/or Rights generally).

Term

Provided that a Flip-in Event that has not been waived has not occurred, the New Shareholder Rights Plan will terminate on the earlier of: (a) six months from the Effective Date, if not confirmed by resolution passed by a

majority of the votes cast by all holders of Voting Shares who vote in respect of such confirmation (other than any holder who does not qualify as an Independent Shareholder with respect to all Voting Shares beneficially owned by such person), (b) Canadian Oil Sands' annual and special meeting of Shareholders in 2019 or 2022, if not reconfirmed or presented for reconfirmation at either such annual meeting, and (c) the ninth anniversary of the Effective Date.

Exemptions for Investment Advisors

Investment managers (for fully managed accounts), mutual funds and their managers, trust companies (acting in their capacities as trustees and administrators), statutory bodies whose business includes the management of funds, administrators of registered pension plans and crown agents acquiring 20% or more of the Voting Shares are exempted from triggering a Flip-in Event, provided that they are not making, or are not part of a group making, a takeover bid.

SCHEDULE D

TRADING IN SECURITIES OF CANADIAN OIL SANDS

Name	Date of Trade	Nature of Transaction	Number of Common Shares	Price per Common Share (\$)
Ian A. Bourne ⁽¹⁾	15-06-2015	Acquisition in the public market	2,033	9.75
	15-09-2015	Acquisition in the public market	3,152	6.29
Sarah E. Raiss ⁽²⁾	15-06-2015	Acquisition in the public market	2,033	9.75
	15-09-2015	Acquisition in the public market	3,152	6.29
Wesley R. Twiss ⁽³⁾	15-06-2015	Acquisition in the public market	1,897	9.75
	15-09-2015	Acquisition in the public market	2,941	6.29
Philip D. Birkby	14-08-2015	Acquisition in the public market	15,500	6.60
	14-08-2015	Acquisition in the public market	10,200	6.61
	14-08-2015	Acquisition in the public market	16,300	6.62
Robert P. Dawson	28-08-2015	Acquisition in the public market	6,800	7.20
Siren Fisekci	19-06-2015	Acquisition in the public market	250	9.31
	21-08-2015	Acquisition in the public market	500	6.18
Scott Greenshields	01-08-2015	Exercise of Restricted Share Units for cash	1,637	Not Applicable
	04-08-2015	Acquisition in the public market	1,000	7.15
	06-08-2015	Acquisition in the public market	1,000	7.03
	06-08-2015	Acquisition in the public market	1,000	7.00
	07-08-2015	Acquisition in the public market	1,000	7.15
	07-08-2015	Acquisition in the public market	1,000	7.07
	11-08-2015	Acquisition in the public market	1,000	6.95
	13-08-2015	Acquisition in the public market	2,000	6.86
	14-08-2015	Acquisition in the public market	1,000	6.46
	19-08-2015	Acquisition in the public market	1,000	6.20
	19-08-2015	Acquisition in the public market	2,000	6.15
Darren K. Hardy	17-08-2015	Acquisition in the public market	7,100	6.47
	17-08-2015	Acquisition in the public market	2,900	6.48
Adrienne Nickerson	28-05-2015	Acquisition in the public market	3,000	10.54
	18-08-2015	Acquisition in the public market	100	6.35
	18-08-2015	Acquisition in the public market	900	6.43
David J. Sirrs	11-05-2015	Acquisition in the public market	1,200	12.25
	13-08-2015	Acquisition in the public market	1,150	6.65

(1) In 2015, Mr. Bourne elected to take the equity component of his compensation in cash, with which third party purchases of Common Shares were made on the TSX.

(2) In 2015, Ms. Raiss elected to take the equity component of her compensation in cash, with which third party purchases of Common Shares were made on the TSX.

(3) In 2015, Mr. Twiss elected to take the equity component of his compensation in cash, with which third party purchases of Common Shares were made on the TSX.

SCHEDULE E
ISSUANCES OF SECURITIES OF CANADIAN OIL SANDS

Name	Date of Issue/Grant	Nature of Issuance	Number of Securities	Issue/Exercise Price per Common Share (\$)
Gerald W. Grandey	29-11-2013	Grant of DSUs ⁽¹⁾	278	20.03
	16-12-2013	Grant of DSUs	1,639	19.83
	28-02-2014	Grant of DSUs ⁽¹⁾	297	20.98
	14-03-2014	Grant of DSUs	1,512	21.49
	30-05-2014	Grant of DSUs ⁽¹⁾	303	22.70
	16-06-2014	Grant of DSUs	1,371	23.69
	29-08-2014	Grant of DSUs ⁽¹⁾	321	23.22
	15-09-2014	Grant of DSUs	1,504	21.60
	28-11-2014	Grant of DSUs ⁽¹⁾	506	15.99
	15-12-2014	Grant of DSUs	3,345	9.72
	27-02-2015	Grant of DSUs ⁽¹⁾	120	11.24
	13-03-2015	Grant of DSUs	3,316	9.80
	29-05-2015	Grant of DSUs ⁽¹⁾	140	10.86
	15-06-2015	Grant of DSUs	3,137	10.36
	31-08-2015	Grant of DSUs ⁽¹⁾	245	6.87
	15-09-2015	Grant of DSUs	5,097	6.38
Arthur N. Korpach	29-11-2013	Grant of DSUs ⁽¹⁾	48	20.03
	16-12-2013	Grant of DSUs	1,639	19.83
	28-02-2014	Grant of DSUs ⁽¹⁾	73	20.98
	14-03-2014	Grant of DSUs	1,512	21.49
	30-05-2014	Grant of DSUs ⁽¹⁾	92	22.70
	16-06-2014	Grant of DSUs	1,371	23.69
	29-08-2014	Grant of DSUs ⁽¹⁾	112	23.22
	15-09-2014	Grant of DSUs	1,504	21.60
	28-11-2014	Grant of DSUs ⁽¹⁾	198	15.99
	15-12-2014	Grant of DSUs	3,345	9.72
	27-02-2015	Grant of DSUs ⁽¹⁾	56	11.24
	13-03-2015	Grant of DSUs	3,316	9.80
	29-05-2015	Grant of DSUs ⁽¹⁾	73	10.86
	15-06-2015	Grant of DSUs	3,137	10.36
	31-08-2015	Grant of DSUs ⁽¹⁾	139	6.87
	15-09-2015	Grant of DSUs	5,097	6.38
Ryan M. Kubik	04-02-2014	Grant of Options	482,673	20.01
	06-02-2015	Grant of Options	799,180	9.35
	31-01-2014	Grant of PSUs ⁽²⁾	2,849	20.04
	04-02-2014	Grant of PSUs	48,726	20.21
	06-02-2015	Grant of PSUs	104,278	9.35
Donald J. Lowry	29-11-2013	Grant of DSUs ⁽¹⁾	168	20.03
	28-02-2014	Grant of DSUs ⁽¹⁾	163	20.98
	30-05-2014	Grant of DSUs ⁽¹⁾	153	22.70
	29-08-2014	Grant of DSUs ⁽¹⁾	152	23.22
	28-11-2014	Grant of DSUs ⁽¹⁾	224	15.99
	27-02-2015	Grant of DSUs ⁽¹⁾	46	11.24
	13-03-2015	Grant of DSUs	5,369	9.80
	29-05-2015	Grant of DSUs ⁽¹⁾	73	10.86
	15-06-2015	Grant of DSUs	5,080	10.36
	31-08-2015	Grant of DSUs ⁽¹⁾	153	6.87
	15-09-2015	Grant of DSUs	8,253	6.38

Name	Date of Issue/Grant	Nature of Issuance	Number of Securities	Issue/Exercise Price per Common Share (\$)
Sarah E. Raiss	29-11-2013	Grant of DSUs ⁽¹⁾	84	20.03
	16-12-2013	Grant of DSUs	1,639	19.83
	28-02-2014	Grant of DSUs ⁽¹⁾	109	20.98
	30-05-2014	Grant of DSUs ⁽¹⁾	103	22.70
	29-08-2014	Grant of DSUs ⁽¹⁾	102	23.22
	28-11-2014	Grant of DSUs ⁽¹⁾	150	15.99
	27-02-2015	Grant of DSUs ⁽¹⁾	31	11.24
	29-05-2015	Grant of DSUs ⁽¹⁾	32	10.86
	31-08-2015	Grant of DSUs ⁽¹⁾	51	6.87
John K. Read	29-11-2013	Grant of DSUs ⁽¹⁾	307	20.03
	16-12-2013	Grant of DSUs	1,639	19.83
	28-02-2014	Grant of DSUs ⁽¹⁾	325	20.98
	14-03-2014	Grant of DSUs	1,512	21.49
	30-05-2014	Grant of DSUs ⁽¹⁾	329	22.70
	16-06-2014	Grant of DSUs	1,371	23.69
	29-08-2014	Grant of DSUs ⁽¹⁾	347	23.22
	15-09-2014	Grant of DSUs	1,504	21.60
	28-11-2014	Grant of DSUs ⁽¹⁾	545	15.99
	15-12-2014	Grant of DSUs	3,345	9.72
	27-02-2015	Grant of DSUs ⁽¹⁾	128	11.24
	13-03-2015	Grant of DSUs	3,316	9.80
	29-05-2015	Grant of DSUs ⁽¹⁾	148	10.86
	15-06-2015	Grant of DSUs	3,137	10.36
	31-08-2015	Grant of DSUs ⁽¹⁾	258	6.87
	15-09-2015	Grant of DSUs	5,097	6.38
Brant G. Sangster	29-11-2013	Grant of DSUs ⁽¹⁾	203	20.03
	16-12-2013	Grant of DSUs	1,639	19.83
	28-02-2014	Grant of DSUs ⁽¹⁾	224	20.98
	14-03-2014	Grant of DSUs	1,512	21.49
	30-05-2014	Grant of DSUs ⁽¹⁾	234	22.70
	16-06-2014	Grant of DSUs	1,371	23.69
	29-08-2014	Grant of DSUs ⁽¹⁾	253	23.22
	15-09-2014	Grant of DSUs	1,504	21.60
	28-11-2014	Grant of DSUs ⁽¹⁾	406	15.99
	15-12-2014	Grant of DSUs	3,345	9.72
	27-02-2015	Grant of DSUs ⁽¹⁾	99	11.24
	13-03-2015	Grant of DSUs	3,316	9.80
	29-05-2015	Grant of DSUs ⁽¹⁾	118	10.86
	15-06-2015	Grant of DSUs	3,137	10.36
	31-08-2015	Grant of DSUs ⁽¹⁾	211	6.87
	15-09-2015	Grant of DSUs	5,097	6.38

Name	Date of Issue/Grant	Nature of Issuance	Number of Securities	Issue/Exercise Price per Common Share (\$)
John B. Zaozirny	29-11-2013	Grant of DSUs ⁽¹⁾	307	20.03
	16-12-2013	Grant of DSUs	1,639	19.83
	28-02-2014	Grant of DSUs ⁽¹⁾	325	20.98
	14-03-2014	Grant of DSUs	1,512	21.49
	30-05-2014	Grant of DSUs ⁽¹⁾	329	22.70
	16-06-2014	Grant of DSUs	1,371	23.69
	29-08-2014	Grant of DSUs ⁽¹⁾	347	23.22
	15-09-2014	Grant of DSUs	1,504	21.60
	28-11-2014	Grant of DSUs ⁽¹⁾	545	15.99
	15-12-2014	Grant of DSUs	3,345	9.72
	27-02-2015	Grant of DSUs ⁽¹⁾	128	11.24
	13-03-2015	Grant of DSUs	3,316	9.80
	29-05-2015	Grant of DSUs ⁽¹⁾	148	10.86
	15-06-2015	Grant of DSUs	3,137	10.36
	31-08-2015	Grant of DSUs ⁽¹⁾	258	6.87
	15-09-2015	Grant of DSUs	5,097	6.38
Scott W. Arnold	03-02-2014	Exercise of Options	4,747	15.55
	04-02-2014	Grant of Options	18,911	20.01
	06-02-2015	Grant of Options	48,443	9.35
	31-01-2014	Grant of PSUs ⁽²⁾	381	20.04
	04-02-2014	Grant of PSUs	1,909	20.21
	06-02-2015	Grant of PSUs	6,321	9.35
Philip D. Birkby	04-02-2014	Grant of Options	35,347	20.01
	06-02-2015	Grant of Options	60,246	9.35
	31-01-2014	Grant of PSUs ⁽²⁾	732	20.04
	31-01-2014	Common Shares upon PSUs maturity	1,936	20.04
	04-02-2014	Grant of PSUs	3,568	20.21
	06-02-2015	Grant of PSUs	7,861	9.35
Trudy M. Curran	04-02-2014	Grant of Options	97,525	20.01
	06-02-2015	Grant of Options	161,475	9.35
	31-01-2014	Grant of PSUs ⁽²⁾	1,982	20.04
	04-02-2014	Grant of PSUs	9,845	20.21
	06-02-2015	Grant of PSUs	21,070	9.35
Robert P. Dawson	12-12-2013	Exercise of Options	1,000	15.55
	04-02-2014	Grant of Options	140,780	20.01
	13-02-2014	Exercise of Options	692	15.55
	06-02-2015	Grant of Options	258,197	9.35
	31-01-2014	Grant of PSUs ⁽²⁾	1,232	20.04
	04-02-2014	Grant of PSUs	14,212	20.21
	06-02-2015	Grant of PSUs	33,690	9.35
Siren Fisekci	04-02-2014	Grant of Options	38,168	20.01
	10-03-2014	Exercise of Options	7,089	15.55
	06-02-2015	Grant of Options	63,197	9.35
	31-01-2014	Grant of PSUs ⁽²⁾	790	20.04
	31-01-2014	Common Shares upon PSUs maturity	1,043	20.04
	04-02-2014	Grant of PSUs	3,853	20.21
	06-02-2015	Grant of PSUs	8,246	9.35

Name	Date of Issue/Grant	Nature of Issuance	Number of Securities	Issue/Exercise Price per Common Share (\$)
Scott Greenshields	04-02-2014	Grant of Options	23,762	20.01
	01-06-2014	Grant of Options	6,481	22.69
	06-02-2015	Grant of Options	61,475	9.35
	01-06-2014	Grant of PSUs	694	22.69
	06-02-2015	Grant of PSUs	8,021	9.35
	29-11-2013	Grant of RSUs ⁽³⁾	66	20.11
	04-02-2014	Grant of RSUs	2,399	20.21
	28-02-2014	Grant of RSUs ⁽³⁾	104	20.96
	30-05-2014	Grant of RSUs ⁽³⁾	98	22.70
	29-08-2014	Grant of RSUs ⁽³⁾	96	23.15
	28-11-2014	Grant of RSUs ⁽³⁾	139	16.77
	27-02-2015	Grant of RSUs ⁽³⁾	29	11.24
	29-05-2015	Grant of RSUs ⁽³⁾	29	10.91
	01-08-2015-	Grant of RSUs ⁽⁴⁾	3	7.30
	31-08-2015	Grant of RSUs ⁽³⁾	38	6.50
Darren K. Hardy	04-02-2014	Grant of Options	80,446	20.01
	06-02-2015	Grant of Options	133,197	9.35
	31-01-2014	Grant of PSUs ⁽²⁾	873	20.04
	31-01-2014	Common Shares upon PSUs maturity	3,786	20.04
	04-02-2014	Grant of PSUs	8,121	20.21
	06-02-2015	Grant of PSUs	17,380	9.35
Adrienne Nickerson	04-02-2014	Grant of Options	33,564	20.01
	06-02-2015	Grant of Options	55,574	9.35
	04-02-2014	Grant of PSUs	3,388	20.21
	06-02-2015	Grant of PSUs	7,251	9.35
	29-11-2013	Grant of RSUs ⁽³⁾	36	20.11
	28-02-2014	Grant of RSUs ⁽³⁾	20	20.96
	30-05-2014	Grant of RSUs ⁽³⁾	19	22.70
	29-08-2014	Grant of RSUs ⁽³⁾	19	23.15
	28-11-2014	Grant of RSUs ⁽³⁾	27	16.77
	06-02-2015	Grant of RSUs ⁽⁴⁾	2	9.35
	06-02-2015	Common Shares upon RSUs maturity	821	9.35
David J. Sirrs	04-02-2014	Grant of Options	40,099	20.01
	31-03-2014	Exercise of Options	8,840	20.70
	06-02-2015	Grant of Options	66,393	9.35
	31-01-2014	Grant of PSUs ⁽²⁾	497	20.04
	04-02-2014	Grant of PSUs	4,048	20.21
	06-02-2015	Grant of PSUs	8,663	9.35

(1) Grant represents quarterly dividend equivalents calculated on outstanding DSUs pursuant to the Corporation's DSU Plan.

(2) Grant represents the combined total of the cumulative dividend equivalents since original grant date and additional PSUs paid out based on the relative total shareholder performance of Canadian Oil Sands pursuant to the Corporation's Equity Incentive Plan.

(3) Grant represents quarterly dividend equivalents calculated on outstanding RSUs pursuant to the Corporation's Equity Incentive Plan.

(4) Grant represents cumulative adjustment of fractional RSUs.

**QUESTIONS OR REQUESTS FOR INFORMATION CONCERNING
THE INFORMATION IN THIS DIRECTORS' CIRCULAR SHOULD
BE DIRECTED TO THE INFORMATION AGENT AND STRATEGIC SHAREHOLDER SERVICES
ADVISOR:**



Exchange Tower
130 King Street West, Suite 2950, P.O. Box 361
Toronto, Ontario
M5X 1E2

North American Toll Free Phone:

1-866-851-3215

Email: contactus@kingsdaleshareholder.com

Facsimile: 416-867-2271

Toll Free Facsimile: 1-866-545-5580

Outside North America, Banks and Brokers Call Collect: 416-867-2272