

**A FULL SHARE
OF COS IS
WORTH MORE
THAN A QUARTER
SHARE OF SUNCOR.**

Suncor's hostile bid is:

Still UNDERVALUED

Still OPPORTUNISTIC

REJECT

**To REJECT the Suncor bid, simply TAKE NO ACTION.
DO NOT tender your shares of Canadian Oil Sands.
For more information call 1-866-851-3215.**



Canadian Oil Sands
www.rejectsuncor.ca



Canadian Oil Sands

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Dear Fellow Shareholders,

Our shareholders have told us they do not support Suncor Energy Inc.'s hostile bid. Suncor knows this and is desperate. To reject the Suncor bid, simply continue to do nothing.

Our shareholders are telling us that now is not the time to sell. Not when oil prices are at historic lows. Not when COS has just completed major projects that secure low-cost production for decades and particularly not when COS is poised to benefit far more than Suncor from an eventual oil price recovery. Our shareholders want to capture the upside of their COS investment, not lock-in the downside.

Our shareholders are telling Suncor the same thing.

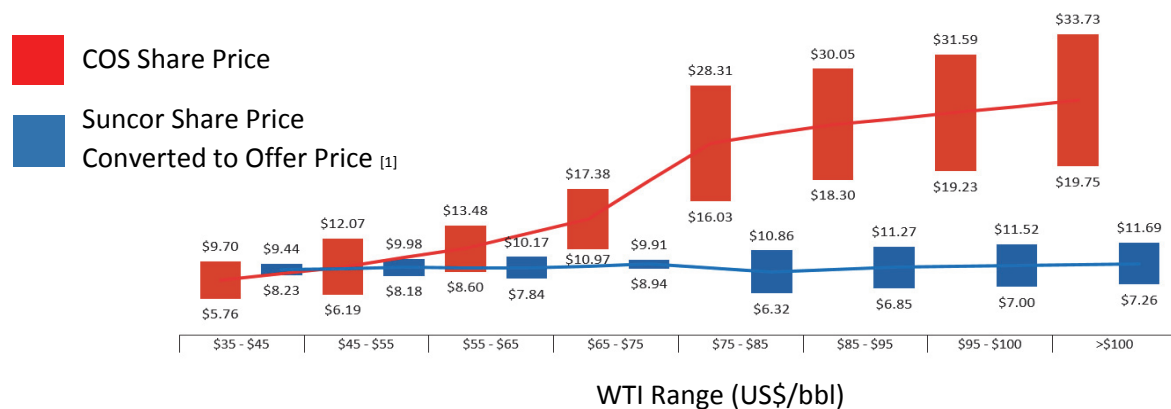
Now, knowing shareholders are confident in an independent COS, and seeing little interest in its offer, fear-mongering is the only strategy left for Suncor.

Suncor wants you to believe you have no choice but to accept their substantially undervalued and opportunistic offer. The fact is COS wasn't looking to sell itself before and there is nothing to conclude that just because Suncor made a Hail Mary low-ball bid we should be selling to them now.

The Truth About Suncor's Bid

Suncor wants you to believe that the collapse in oil prices will last forever. But no one – not even Suncor – believes that. Oil prices will recover and COS shareholders will benefit far more than Suncor's. COS share price correlation to WTI has been 98% since January, 2014.

COS Share Price and Suncor Offer Price Sensitivity to WTI (Last 5 Years)



Source: As per Bloomberg; share price performance between October 2, 2010 to October 2, 2015.

[1] Suncor's share price range at a 0.25 exchange ratio.

Suncor wants you to believe that COS is at risk in a low oil price environment, but the fact is COS is much more resilient in a “lower-for-longer” oil price environment than Suncor wants you to realize. COS is benefitting from lower costs at Syncrude and has the financial resources to weather low prices. COS has a strong balance sheet, ample liquidity, and no debt maturities until 2019.

Suncor wants you to believe that Syncrude will produce more oil if they own your interest in the project, but it has been an owner for the past six years and not offered any silver bullets; in fact, it has endorsed Syncrude’s current reliability plan.

Suncor wants you to believe that production is the only story at Syncrude, and ignores the significant improvements made: \$1.3 billion in gross cost reductions in 2015, major projects completed that secure decades of production, and the new, lower-cost structure that will benefit COS shareholders going forward. Suncor knows these cost reductions are real and material, but doesn’t want to talk about that.

Suncor Wants Your Interest in Syncrude - Badly

Suncor disparages Syncrude. So why does it want to own more of it?

Because it knows Syncrude is a scarce, valuable asset – established production today, a profitable upgrader designed to produce 350,000 barrels per day of light, sweet crude oil and the best mining lease position in the region. These features are almost impossible to replicate, and will provide rich returns for decades.

Canadian Oil Sands
is worth more than
Suncor is offering.
And Suncor knows
it.

By acquiring COS’ interest in Syncrude, Suncor would have almost 49% of Syncrude – placing it within striking distance of gaining control of the entire project without paying a control premium.

Plus, Suncor wants Syncrude’s Lease 29, which is a far superior replacement for its soon-to-be depleted North Steepbank mine. Lease 29 could be sold to Suncor now, if Suncor was willing to pay Syncrude owners a fair price.

It’s clear why Suncor would want more of this asset – owning more Syncrude will benefit Suncor. Yet, Suncor is offering COS shareholders substantially less than what it recently paid to increase its interest in the Fort Hills project – which is at least two years from operation and has no upgrader.

A Full Share of COS is Worth More than a Quarter Share of Suncor

Consider what Suncor is actually offering. No cash. One quarter of a Suncor share for each COS share you own – the equivalent of about \$9. If the offer were successful, COS shareholders would own less than 8% of Suncor afterwards.

Suncor says it is offering you a “premium”; a premium on our lowest trading price in 15 years is no favour. You would have sold your asset for a fraction of its value.

“I’ve been in the oil business all my life. I saw six cycles – I saw very high price, I saw low price, and this is one of them. This will not continue. In a few months or a year or so this will change.”

OPEC
Secretary-General
December 15, 2015

COS has returned significantly more capital to shareholders than Suncor. Since 2001, COS has returned \$16.85 per share in dividends.

Had COS shareholders instead owned 0.25 a Suncor share over that period, they would have received only \$2.28 per share – as dividends and share buybacks.

Don't Let Suncor Use Fear to Pressure You into the Wrong Decision

Suncor is *wrong* to imply it is the best alternative. We know from speaking with our shareholders – large and small – that they do not want to accept the Suncor bid.

Suncor wants your interest in Syncrude badly – and believes it can get it without having to pay you a fair price.

You do not have to sell your valuable Syncrude interest at a bargain price.

COS is financially fit to survive low oil prices and deliver the full value of your investment. We encourage you to continue to reject the undervalued Suncor bid. Simply do nothing.

Sincerely,

["signed"]

Donald J. Lowry

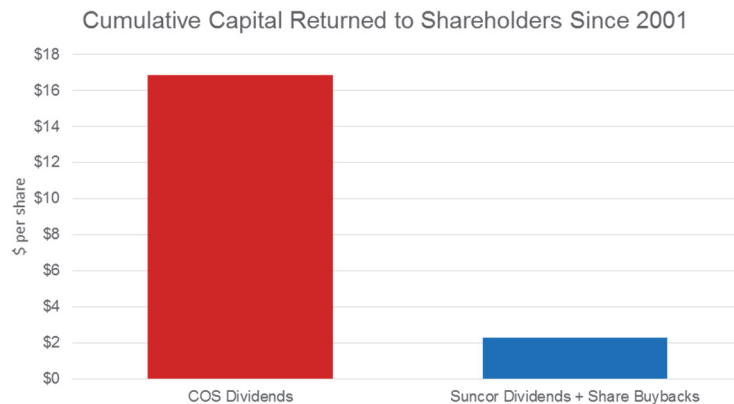
Chairman of the Board

["signed"]

Arthur N. Korpach

Chair, Audit Committee

Sometimes, the best action is no action. The Suncor bid is one of those times.



COS has a superior record of returning capital to shareholders.

Source: Canadian Oil Sands, Suncor public disclosure.
Suncor's cumulative dividends per share plus share buybacks per share, converted at the 0.25 offer price.

“Burgundy will not accept the original Suncor offer... Giving up unique, irreplaceable and low-risk exposure to the price of light oil today, when oil prices are in a trough, is the exact opposite of what long-term investors should be doing.”

Burgundy Asset Management Ltd., COS shareholder

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For further information, please visit our website www.rejectsuncor.ca or contact our information agent, Kingsdale Shareholder Services at 1-866-851-3215 or contactus@kingsdaleshareholder.com

Forward-Looking Information

This letter of Canadian Oil Sands Limited ("COS") contains forward-looking information (as defined in the *Securities Act* (Alberta)) and statements (collectively, "forward-looking statements"), including statements about future oil prices; the price of COS' common shares; the impact of rising oil prices on the price of COS' common shares and the belief that COS shareholders will benefit far more than Suncor shareholders from rising oil prices; the views on COS' financial resources; expectations regarding production, operating expenses and capital expenditures at Syncrude; and expectations regarding Lease 29. Some of the forward-looking statements may be identified by words such as "anticipate", "expect", "believe", "plan", "intend" or similar words suggesting future outcomes. You are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. Actual results may differ materially from those expressed or implied by the forward-looking statements. The directors' circular of COS dated October 19, 2015, COS' Annual Information Form dated February 24, 2015 and the reports and filings made with securities regulatory authorities from time to time by COS describe the risks and assumptions underlying the forward-looking statements and such factors are incorporated by reference herein. Copies of these documents are available on COS' profile on SEDAR at www.sedar.com and on COS' website at www.cdnoilsands.com. The forward-looking statements contained in this letter are made as of the date of this letter and unless required by law, COS does not undertake any obligation to update publicly or revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this letter are expressly qualified by this cautionary statement.

**QUESTIONS OR REQUESTS FOR INFORMATION CONCERNING
THE INFORMATION IN THIS LETTER SHOULD
BE DIRECTED TO THE INFORMATION AGENT AND STRATEGIC SHAREHOLDER SERVICES
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