

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



Canadian Oil Sands

NOTICE OF CHANGE TO DIRECTORS' CIRCULAR

RECOMMENDING

ACCEPTANCE

OF THE REVISED OFFER BY

SUNCOR ENERGY INC.

TO PURCHASE ALL OF THE OUTSTANDING COMMON SHARES OF

CANADIAN OIL SANDS LIMITED

FOR 0.28 OF A SUNCOR SHARE PER COMMON SHARE

THE BOARD OF DIRECTORS OF CANADIAN OIL SANDS UNANIMOUSLY RECOMMENDS THAT
SHAREHOLDERS

ACCEPT

THE REVISED SUNCOR OFFER AND TENDER THEIR COMMON SHARES

January 22, 2016

TABLE OF CONTENTS

QUESTIONS AND ANSWERS ABOUT THE REVISED SUNCOR OFFER.....	ii
FORWARD-LOOKING STATEMENTS	v
NOTICE TO NON-CANADIAN SHAREHOLDERS	vi
CURRENCY AND EXCHANGE RATE INFORMATION	vi
INFORMATION REGARDING SUNCOR.....	vi
USE OF CERTAIN NON-GAAP AND ADDITIONAL GAAP MEASURES	vi
SUMMARY	viii
UNANIMOUS RECOMMENDATION OF THE BOARD OF DIRECTORS	1
ANALYSIS AND REASONS FOR ACCEPTING THE REVISED SUNCOR OFFER.....	1
INTENTIONS WITH RESPECT TO THE REVISED SUNCOR OFFER	3
RECENT DEVELOPMENTS	3
BACKGROUND TO THE REVISED SUNCOR OFFER	4
AGREEMENTS RELATING TO THE REVISED SUNCOR OFFER	7
OPINION OF RBC CAPITAL MARKETS, FINANCIAL ADVISOR TO CANADIAN OIL SANDS	14
HOW TO DEPOSIT YOUR COMMON SHARES	15
MATERIAL CHANGES IN THE AFFAIRS OF CANADIAN OIL SANDS	15
PARTICULARS OF CHANGES TO INFORMATION IN THE DIRECTORS' CIRCULAR	16
STATUTORY RIGHTS	19
APPROVAL OF NOTICE OF CHANGE	19
CERTIFICATE.....	C-1
SCHEDULE A – OPINION OF RBC CAPITAL MARKETS	A-1

QUESTIONS AND ANSWERS ABOUT THE REVISED SUNCOR OFFER

All capitalized terms in this Q&A section have the meaning ascribed to such terms elsewhere in this Notice of Change.

Why am I receiving this Notice of Change?

Canadian Oil Sands entered into a Support Agreement with Suncor, dated January 17, 2016, pursuant to which Suncor agreed to make the Revised Suncor Offer. As a condition to Suncor's willingness to make the Revised Suncor Offer, among other things, Canadian Oil Sands agreed to prepare this Notice of Change containing the Board of Directors' recommendation that Shareholders accept the Revised Suncor Offer.

What is the Revised Suncor Offer?

Suncor is offering to purchase all of the outstanding Common Shares on the basis of 0.28 of a Suncor Share for each Common Share. See "Increase to the Offer Consideration" in the Revised Suncor Circular.

Should I accept the Revised Suncor Offer?

The Board of Directors unanimously recommends that Shareholders ACCEPT the Revised Suncor Offer and TENDER their Common Shares.

Why does the Board of Directors believe that the Revised Suncor Offer should be accepted?

The Board of Directors believes that the consideration to be received by Shareholders under the Revised Suncor Offer is fair, from a financial point of view, to Shareholders and that the Revised Suncor Offer is in the best interests of Canadian Oil Sands. The Board of Directors' reasons include:

- Improved exchange ratio for Shareholders compared to the Initial Suncor Offer
- Greater value to Shareholders in the short term in the face of declining oil prices
- The Board received an expert opinion that the consideration offered by Suncor under the Revised Suncor Offer is fair, from a financial point of view, to Shareholders
- The Board understands that certain major Shareholders support the Revised Suncor Offer
- The Revised Suncor Offer is the best alternative currently available
- The Revised Suncor Offer is less conditional than the Initial Suncor Offer

A summary of all of the reasons for the unanimous recommendation of the Board of Directors is included on page 1 in this Notice of Change.

How do I accept the Revised Suncor Offer?

Suncor has indicated that if you are a registered Shareholder (meaning that you have either a physical certificate or a DRS Advice representing your Common Shares registered in your name), you may accept the Revised Suncor Offer by delivering to Suncor's depositary, Computershare Investor Services Inc. (the "Depositary"), a properly completed and executed Letter of Transmittal, in the form accompanying the circular mailed by Suncor and in respect of the Initial Suncor Offer (printed on yellow paper) and which is available on Canadian Oil Sands' SEDAR profile at www.sedar.com (filed on October 5, 2015), or a manually signed facsimile thereof, and depositing it

along with, if applicable, the certificate(s) representing your Common Shares and any other required documents, at or prior to 4:00 p.m. (Calgary time) on February 5, 2016, unless the Revised Suncor Offer is extended or withdrawn, in accordance with the instructions in the Letter of Transmittal.

Suncor has indicated that if you are a registered Shareholder and wish to accept the Revised Suncor Offer but the certificates representing your Common Shares are not immediately available or you cannot provide the certificates or other required documents to the Depositary by 4:00 p.m. (Calgary time) on February 5, 2016, you may validly deposit your Common Shares under the Revised Suncor Offer in compliance with the procedures for guaranteed delivery using the Notice of Guaranteed Delivery (printed on blue paper) accompanying the circular mailed by Suncor in respect of the Initial Suncor Offer and which is available on Canadian Oil Sands' SEDAR profile at www.sedar.com (filed on October 5, 2015), or a manually signed facsimile thereof.

Suncor has indicated that if you are a non-registered Shareholder (meaning your Common Shares are held on your behalf, or for your account, by a broker, investment dealer, bank, trust company or other intermediary), you should contact such intermediary directly if you wish to accept the Revised Suncor Offer. Intermediaries may establish tendering cut-off times that are up to 48 hours prior to the 4:00 p.m. (Calgary time) on February 5, 2016. As a result, non-registered Shareholders wishing to tender their Common Shares should promptly and carefully follow the instructions provided to them by their broker, investment dealer, bank, trust company or other intermediary.

In addition, Suncor has indicated that certain non-registered Shareholders whose Common Shares are held by CDS Clearing and Depositary Services Inc. ("CDS"), or its nominee, may accept the Revised Suncor Offer, through their respective CDS Participant, by following the procedures for book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depositary at its office in Toronto, Ontario at or prior to 4:00 p.m. (Calgary time) on February 5, 2016. Any financial institution or other entity that is a participant in CDS can cause CDS to make a book-entry transfer of a Shareholder's Common Shares into the Depositary's account in accordance with CDS procedures for such transfer. Shareholders who wish to accept the Revised Suncor Offer by Book-Entry Confirmation should contact the Depositary for assistance. Contact details for the Depositary may be found on the last page of the Revised Suncor Circular.

See "Manner of Acceptance" in the Suncor Circular.

I tendered my Common Shares to the Initial Suncor Offer. Do I need to do anything to accept the Revised Suncor Offer?

If you are a non-registered holder and tendered your Common Shares to the Initial Suncor Offer, **YES**. You should promptly contact your broker, investment dealer, bank, trust corporation or other intermediary directly to determine whether there are any additional steps required to be taken to tender your Common Shares to the Revised Suncor Offer.

If you are a registered holder, **NO**. Assuming that you properly followed the procedures described under the heading "Manner of Acceptance" in the Suncor Circular and did not subsequently withdraw the Common Shares you tendered, you do not need to do anything to accept the Revised Suncor Offer with respect to the previously tendered Common Shares.

How long do I have to decide whether to tender to the Revised Suncor Offer?

You have until the expiration date of the Revised Suncor Offer to tender your Common Shares. The Revised Suncor Offer is scheduled to expire at 4:00 p.m. (Calgary time), on February 5, 2016, unless it is extended or withdrawn.

See "Time of Acceptance - Extension of the Offer" in the Revised Suncor Circular.

If I accept the Revised Suncor Offer, when will I receive the Suncor Shares?

Under the Support Agreement, Suncor has agreed to take up and pay for all of the Common Shares tendered to the Revised Suncor Offer no later than three business days following the time at which it becomes entitled to do so.

Who do I ask if I have more questions?

Your Board of Directors recommends that you read the information contained in this Notice of Change and the Revised Suncor 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

FORWARD-LOOKING STATEMENTS

This Notice of Change, including the discussion of the reasons for the Board of Directors' unanimous recommendation that Shareholders accept the Revised Suncor Offer and 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 Notice of Change. 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 Notice of Change include, but are not limited to, expectations with respect to long term value of the Suncor Shares and Common Shares, expectations of the number of Common Shares that will be tendered to the Revised Suncor Offer; expectations regarding the trading prices of the Common Shares; expectations with respect to Canadian Oil Sands' liquidity; expectations regarding future free cash flow generated by Canadian Oil Sands; estimates with respect to cash flow from operations; production estimates; estimated capital expenditures; estimated operating expenses; estimated purchased energy costs; and future commodity prices. 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 Notice of Change. Forward-looking statements contained in this Notice of Change 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; and Syncrude's business plan. In addition to being subject to a number of assumptions, forward-looking statements in this Notice of Change 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 Canadian provincial securities regulatory authorities, including Canadian Oil Sands' annual information form for the fiscal year ended December 31, 2014. The Board of Directors believes that the expectations reflected in the forward-looking statements contained in this Notice of Change 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 Notice of Change. 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 Notice of Change are expressly qualified by this cautionary statement.

NOTICE TO NON-CANADIAN SHAREHOLDERS

The Revised Suncor Offer to which this Notice of Change relates is made for the securities of a Canadian issuer. This Notice of Change 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 Notice of Change 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 Notice of Change.

CURRENCY AND EXCHANGE RATE INFORMATION

All references to dollar amounts contained herein are to Canadian dollars, unless otherwise indicated. On January 21, 2016, the last business day prior to the date of this Notice of Change, the closing rate of exchange as reported by the Bank of Canada was \$1.00 = US\$0.70.

INFORMATION REGARDING SUNCOR

Certain information herein relating to Suncor and the Revised Suncor Offer has been derived from the Revised 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 Notice of Change, 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 are cautioned that non-GAAP and additional GAAP financial measures presented by the Corporation may not be comparable with measures provided by other entities.

Cash flow from operations (which is calculated as cash from operating activities before changes in non-cash working capital) and cash flow from operations per share (which is calculated as cash flow from operations divided by the weighted-average number of shares outstanding in the period) are additional GAAP measures.

Free cash flow (which is calculated as cash from operating activities before changes in non-cash working capital less capital expenditures) is a Non-GAAP financial measure.

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 Notice of Change. All capitalized terms in the summary have the meanings ascribed to such terms elsewhere in this Notice of Change.

The Revised Suncor Offer

Suncor has offered to purchase all of the outstanding Common Shares of Canadian Oil Sands for consideration of 0.28 of a Suncor Share for each Common Share.

Based on the closing price for Suncor Shares on January 21, 2016, the last trading day before the date of this Notice of Change, the implied offer price of the Revised Suncor Offer is \$8.33 per Common Share.

Unanimous Recommendation of the Board of Directors:

The Board of Directors unanimously recommends that Shareholders ACCEPT the Revised Suncor Offer and TENDER their Common Shares.

Reasons for Acceptance:

After carefully reviewing and considering the terms of the Revised Suncor Offer, and receiving advice from Canadian Oil Sands' external financial advisor, RBC Capital Markets, and legal advisor, Osler, and the Board's legal advisor, Norton Rose, the Board has concluded that the consideration offered by Suncor under the Revised Suncor Offer is fair, from a financial point of view, to Shareholders and is in the best interests of Canadian Oil Sands. As a result, the Board unanimously recommends that Shareholders ACCEPT the Revised Suncor Offer and tender their Common Shares.

The following is a summary of the principal reasons for the unanimous recommendation of the Board of Directors to Shareholders that Shareholders ACCEPT the Revised Suncor Offer and TENDER their Common Shares to the Revised Suncor Offer:

- Improved exchange ratio for Shareholders compared to the Initial Suncor Offer
- Greater value to Shareholders in the short term in the face of declining oil prices
- The Board received an expert opinion that the consideration offered by Suncor under the Revised Suncor Offer is fair, from a financial point of view, to Shareholders
- The Board understands that certain major Shareholders support the Revised Suncor Offer
- The Revised Suncor Offer is the best alternative currently available
- The Revised Suncor Offer is less conditional than the Initial Suncor Offer

**Acceptance of the Revised
Suncor Offer by Directors and
Officers:**

Each of the directors and officers of Canadian Oil Sands have indicated their intention to accept the Revised Suncor Offer and tender their respective Common Shares.

NOTICE OF CHANGE TO DIRECTORS' CIRCULAR

Capitalized words and other terms used in this Notice of Change and not otherwise defined herein have the meaning given to such terms in the Directors' Circular (as defined below). The information contained in this Notice of Change is given as of January 22, 2016, except as otherwise indicated.

This Notice of Change relates to and amends and supplements certain of the information contained in the directors' circular dated October 19, 2015 (the "Directors' Circular") 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 "Initial Suncor Offer") made by Suncor Energy Inc. ("Suncor") to acquire all of the issued and outstanding common shares (the "Common Shares") of Canadian Oil Sands and any associated rights issued under the Existing Shareholder Rights Plan, upon the terms and subject to the conditions set forth in the offer of Suncor to purchase and accompanying circular dated October 5, 2015, as amended by the notice of variation and change of Suncor dated November 12, 2015 and as further amended by the notice of extension of Suncor dated December 3, 2015 and by the notice of extension of Suncor dated January 8, 2016 (collectively the "Suncor Circular").

This Notice of Change should be read in conjunction with the Directors' Circular. This Notice of Change is issued by the Board of Directors in connection with Revised Suncor Offer (as defined below).

By notice of variation and change of Suncor dated January 22, 2016 (the "Suncor Notice of Variation"), Suncor amended and revised the Initial Suncor Offer (as so revised, the "Revised Suncor Offer") and the Suncor Circular (as so revised, the "Revised Suncor Circular"). Under the Revised Suncor Offer, Suncor is offering to purchase all of the issued and outstanding Common Shares and any associated rights issued under the Existing Shareholder Rights Plan for 0.28 of a common share of Suncor ("Suncor Share") for each Common Share and any associated rights issued thereunder, upon the terms and subject to the conditions set forth in the Revised Suncor Circular.

UNANIMOUS RECOMMENDATION OF THE BOARD OF DIRECTORS

THE BOARD OF DIRECTORS HAS CONCLUDED THAT THE REVISED SUNCOR OFFER IS IN THE BEST INTERESTS OF CANADIAN OIL SANDS AND THAT THE CONSIDERATION UNDER THE REVISED SUNCOR OFFER IS FINANCIALLY FAIR TO SHAREHOLDERS. THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS ACCEPT THE REVISED SUNCOR OFFER AND TENDER THEIR COMMON SHARES.

If you have any questions, please contact Kingsdale at 1-866-851-3215 or contactus@kingsdaleshareholder.com.

ANALYSIS AND REASONS FOR ACCEPTING THE REVISED SUNCOR OFFER

After carefully reviewing and considering the terms of the Revised Suncor Offer, and receiving advice from Canadian Oil Sands' external financial advisor, RBC Capital Markets, and legal advisor, Osler, and the Board's legal advisor, Norton Rose, the Board has concluded that the consideration offered by Suncor under the Revised Suncor Offer is fair, from a financial point of view, to Shareholders and is in the best interests of Canadian Oil Sands. As a result, the Board unanimously recommends that Shareholders **ACCEPT** the Revised Suncor Offer and tender their Common Shares.

The following are the principal reasons for the Board's unanimous recommendation:

1. Improved exchange ratio for Shareholders compared to the Initial Suncor Offer

- The Revised Suncor Offer represents a 12% increase from the exchange ratio under the Initial Suncor Offer, an increase from 0.25 of a Suncor Share for each Common Share to 0.28 of a Suncor Share for each Common Share. The increase represents an incremental value for all of the Common Shares of approximately \$454 million based on the closing price of the Suncor Shares on January 15, 2016.

2. Greater value to Shareholders in the short term in the face of declining oil prices

- Since October 19, 2015, the date of the Directors' Circular, through January 15, 2016, WTI spot prices decreased approximately 36% from US\$45.89 to US\$29.42, while average WTI futures prices for the year 2020 decreased approximately 22% from US\$58.55 to US\$45.50.
- While the Common Shares, in a higher oil price environment, could have a greater long-term value than the Suncor Shares offered, the Board has concluded that, given the significant decline in oil prices since the Initial Suncor Offer, and in particular the approximate 20% decrease in WTI spot prices from January 4, 2016 to January 15, 2016, and the outlook for oil prices over the next two years, the acceptance of the Revised Suncor Offer should be recommended.

3. The Board received an expert opinion that the consideration offered by Suncor under the Revised Suncor Offer is fair, from a financial point of view, to Shareholders

- The Board of Directors has received a written opinion from RBC Capital Markets, to the effect that, as of January 17, 2016, and based upon and subject to the assumptions, limitations and qualifications stated in the opinion, the consideration to be received by Shareholders under the Revised Suncor Offer is fair, from a financial point of view, to Shareholders. A copy of RBC Capital Markets' opinion is attached as Schedule A to this Notice of Change. The Board of Directors recommends that you read the opinion carefully and in its entirety for a description of the matters considered and limitations on the review undertaken.

4. The Board understands that certain major Shareholders support the Revised Suncor Offer

- The Board understands that the Revised Suncor Offer is supported by certain major Shareholders, including Mr. Seymour Schulich, who holds approximately 5% of the Corporation's outstanding Common Shares. Mr. Schulich has indicated his intention to tender his Common Shares to the Revised Suncor Offer.

5. The Revised Suncor Offer is the best alternative currently available

- The Revised Suncor Offer represents the best immediate value for Shareholders and is the best alternative currently available to Canadian Oil Sands.
- Canadian Oil Sands and RBC Capital Markets conducted an extensive process seeking alternative proposals to the Initial Suncor Offer. More than 70 parties were contacted by RBC Capital Markets to canvass their potential interest in Canadian Oil Sands or certain of its assets. Four highly credible parties entered into confidentiality and standstill agreements with the Corporation and several others familiar with the Syncrude project considered the opportunity. The Board considered a range of alternatives, including a sale of the whole company, a partial asset sale, a sale of a royalty interest and to remain as an independent company. No alternatives emerged that are superior to the Revised Suncor Offer.

6. The Revised Suncor Offer is less conditional than the Initial Suncor Offer

- The conditionality of the Initial Suncor Offer has been reduced. The minimum tender condition before Suncor is obligated to take up tendered Common Shares has decreased from 66 2/3% of the Common

Shares to 51% of the Common Shares. There are fewer conditions in the Revised Suncor Offer than were included in the Initial Suncor Offer and some of the remaining conditions have been modified to eliminate or reduce discretionary elements and to include objective criteria.

Conclusions and Recommendations

For the reasons outlined above, the Board of Directors unanimously recommends that Shareholders accept the Revised Suncor Offer and tender their Common Shares.

THE BOARD OF DIRECTORS HAS CONCLUDED THAT THE REVISED SUNCOR OFFER IS IN THE BEST INTERESTS OF CANADIAN OIL SANDS AND THAT THE CONSIDERATION UNDER THE REVISED SUNCOR OFFER IS FINANCIALLY FAIR TO SHAREHOLDERS. THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS ACCEPT THE REVISED SUNCOR OFFER AND TENDER THEIR COMMON SHARES.

If you have any questions, please contact 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 its evaluation of the Revised 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 recommendation of the Board of Directors were made after considering all of the information and factors involved. Shareholders should consider the terms of the Revised Suncor Offer carefully and should come to their own decision as to whether to accept the Revised Suncor Offer.

INTENTIONS WITH RESPECT TO THE REVISED SUNCOR OFFER

The directors and officers of Canadian Oil Sands and certain of their associates have indicated that they intend to accept the Revised Suncor Offer and will tender their Common Shares to the Revised Suncor Offer.

RECENT DEVELOPMENTS

On October 29, 2015, the Board met to approve the Corporation's interim financial report and management's discussion and analysis for the three and nine months ended September 30, 2015. Following the meeting, Canadian Oil Sands released its financial results for the quarter, reporting, among other things, over \$1 billion of cost savings achieved at Syncrude year to date and reflecting the Corporation's updated annual guidance, including estimated 2015 cash flow from operations of \$340 million and 2015 mid-point estimated Syncrude annual production of 95 million barrels (gross to Syncrude).

On December 1, 2015, Canadian Oil Sands announced its budget for 2016, which reflected significantly reduced operating and capital costs at Syncrude. Highlights of the 2016 budget included: estimated cash flow from operations of \$633 million, or \$1.31 per Common Share, and estimated free cash flow of \$338 million (in each case assuming WTI of US\$50 per barrel, a foreign exchange rate of \$1 = US\$0.75 and an SCO to Canadian dollar WTI discount of \$2 per barrel); a production estimate range for Canadian Oil Sands of 35 to 40 million barrels (95 to 110 million barrels gross to Syncrude); estimated capital expenditures of \$295 million, or \$7.64 per barrel, based on production of 38.6 million barrels; and estimated operating expenses of \$1.4 billion, or \$37.14 per barrel, including purchased energy costs of \$3.16 per barrel. WTI crude oil prices are currently significantly below US\$50 per barrel and as presented in the Corporation's 2016 Guidance Document, a change in WTI crude oil prices by US\$1.00 per barrel varies after-tax cash flow from operations by \$31 million.

On January 18, 2016, the joint press release of Suncor and Canadian Oil Sands announcing the Revised Suncor Offer and Support Agreement disclosed that Canadian Oil Sands' estimated debt is \$2.4 billion as at December 31, 2015.

BACKGROUND TO THE REVISED SUNCOR OFFER

On October 5, 2015, Suncor issued a press release announcing that it had 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 Regulators.

On October 18, 2015, the Board unanimously resolved to recommend to Shareholders that they reject the Initial Suncor Offer and not tender their Common Shares to it. A summary of the principal reasons for the Board's recommendation is set forth under the heading "Analysis and Reasons for Rejecting the Suncor Offer" in the Directors' Circular.

On October 22, 2015, the Board met with representatives of management, RBC Capital Markets, Osler, Hoskin & Harcourt LLP ("Osler"), the Corporation's external legal advisor, Norton Rose Fulbright Canada LLP ("Norton Rose"), independent legal advisor to the Board, and Kingsdale Shareholder Services ("Kingsdale"), the Corporation's information agent and strategic shareholder services advisor, to receive updates on Shareholder and market reaction to the Board's recommendation in the Directors' Circular that Shareholders reject the Initial Suncor Offer. The Board also received updates on the status of confidentiality agreements entered into with third parties that might be interested in a potential strategic transaction with the Corporation. An *in camera* session of the independent directors was subsequently held.

Beginning October 23, 2015, more than 70 parties were contacted by RBC Capital Markets to canvass their potential interest in Canadian Oil Sands or certain of its assets. Four highly credible parties entered into confidentiality and standstill agreements with the Corporation, which entitled them to access the electronic data room established for the purpose of providing confidential information to third parties. In connection with this process, Canadian Oil Sands engaged in extensive discussions with several parties, including parties that did not enter into confidentiality agreements, in an effort to develop a financially superior proposal to the Initial Suncor Offer. The Board considered a range of alternatives, including a sale of the whole company, a partial asset sale and a sale of a royalty interest. Canadian Oil Sands also continued its analysis of the value potentially represented by various stand-alone alternatives ranging from the status quo to various changes in the Corporation's asset mix.

On November 5, 2015, Suncor announced that, following an application by Suncor for an order to cease trade the New Shareholders Rights Plan, it had been informed that the Alberta Securities Commission (the "ASC") would hold a hearing on November 26, 2015 to consider the New Shareholder Rights Plan. On the same date, Canadian Oil Sands announced that, in response to Suncor's application, it would continue to preserve the protections put in place in the New Shareholder Rights Plan.

A hearing at the ASC was conducted on November 26 and 27, 2015 to consider submissions regarding Canadian Oil Sands' New Shareholder Rights Plan. On November 30, 2015, the ASC issued an order to the effect that the New Shareholder Rights Plan would be cease traded at 6:00 p.m. Mountain Standard Time on January 4, 2016.

On December 3, 2015, the day before the expiration of the Initial Suncor Offer, Suncor filed a notice of extension to extend the period for acceptance of the Initial Suncor Offer to 6:00 p.m. (Calgary time) on January 8, 2016.

Throughout November (on the 6th, 13th, 20th, 24th and 30th) and December (on the 2nd, 10th, 17th, 23rd and 30th) 2015, the Board, together with representatives of management, RBC Capital Markets, Osler, Norton Rose and Kingsdale, met to receive updates on the strategic review process and the reaction to the Initial Suncor Offer by

Shareholders. At the end of each meeting, an *in camera* session of the independent directors was held with advisors and among Board members alone.

The Corporation remained engaged with several of its significant Shareholders throughout its review of alternatives to enhance value for Shareholders. The Board and management of Canadian Oil Sands gained insights from such Shareholders regarding the evolving environment in the oil and gas sector and received updates from RBC Capital Markets regarding the financial markets generally and investor sentiment to the oil and gas sector and the Initial Suncor Offer.

On December 30, 2015, the Board met with representatives of management, RBC Capital Markets, Osler, Norton Rose and Kingsdale to receive an update on the strategic review process and market dynamics. The Board also received a presentation from management on the Corporation's liquidity and ability to comply with its covenants under existing credit facilities and certain senior note indentures in various oil price scenarios. After receiving a financial presentation from RBC Capital Markets, an update from Kingsdale on Shareholder feedback and expected tender results and legal advice from Osler and Norton Rose, the Board determined that no alternatives had emerged, including the Initial Suncor Offer, that delivered higher risk-adjusted value to the Corporation than continuing with the Corporation's existing assets, and that the Initial Suncor Offer remained undervalued. The Board also confirmed with management that Canadian Oil Sands had sufficient liquidity through a period of over two years of lower oil prices. Accordingly, the Board concluded at that time that it was in the best interests of the Corporation to remain independent.

On January 4, 2016, Canadian Oil Sands issued a declaration that Shareholders' interests would best be served by Canadian Oil Sands remaining independent.

On January 5, 2016, a major Shareholder, Mr. Schulich, took out a full page advertisement in the National Post and The Globe and Mail indicating that he would not tender his Common Shares to the Initial Suncor Offer and the reasons why he believed it was inadequate.

On January 5 and 7, 2016, the Board met with representatives of management, RBC Capital Markets, Osler, Norton Rose and Kingsdale to receive updates on developments and market dynamics. RBC provided financial advice and Kingsdale provided further updates on Shareholder feedback and expected tender results.

On January 8, 2016, Suncor failed to meet its minimum tender condition of 66 2/3% of the Common Shares (the "Minimum Tender Condition") and announced that it had extended the Initial Suncor Offer until January 27, 2016.

On January 10, 2016, the Board met with representatives of management, RBC Capital Markets, Osler, Norton Rose and Kingsdale to receive an update on Shareholder and market reaction to the extension of the Initial Suncor Offer and to consider possible future developments.

The Corporation understands that during the week of January 11 to 16, 2016, Suncor had discussions with various major Shareholders about their willingness to tender to an increased offer. In particular, the Corporation understands that Suncor informed Mr. Schulich that Suncor may have been willing to increase the offer to 0.28 of a Suncor Share per Common Share conditional on Mr. Schulich supporting the increased offer. The Corporation understood that Mr. Schulich believed support from the Board was important to achieve a successful outcome. Suncor also approached the Corporation to discuss an increase in the offer. Through conversations with Mr. Schulich and Suncor, the Corporation was aware of Mr. Schulich's position regarding the increased offer.

On January 12, 2016, the Board met with representatives of management, RBC Capital Markets, Osler, Norton Rose and Kingsdale. The Board considered the continued decline in oil prices and received financial advice from RBC Capital Markets. Following deliberation and an *in camera* session of independent directors and legal advisors, the Board determined to enter into discussions with Suncor with a view to potentially negotiating a transaction.

The Board met with representatives of management, RBC Capital Markets, Osler, Norton Rose and Kingsdale on January 13, 2016 to receive an update on the discussions after a meeting between certain Suncor and Canadian Oil Sands representatives earlier that day.

Throughout the day and into the evening on January 14th, the Corporation vigorously negotiated potential transaction terms with Suncor, including with respect to the exchange ratio, the minimum tender condition, the extension of the offer in certain circumstances and other conditions to a revised offer at an increased exchange ratio.

The Board met with representatives of management, RBC Capital Markets, Osler, Norton Rose and Kingsdale in the evening of January 14, 2016 to receive an update on the negotiations. RBC Capital Markets informed the Board that it expected to be in a position, if requested, to provide a fairness opinion to the Board to the effect that an offer of 0.28 of a Suncor Share per Common Share was fair, from a financial point of view, to Shareholders. The Board also considered the possibility that the Revised Suncor Offer could include a reduction in the Minimum Tender Condition below 66 2/3%. The Board noted that the Initial Suncor Offer included an irrevocable condition that Suncor would extend the offer by 10 business days after 50% of the Common Shares were tendered, as well as Suncor's intention to complete a Subsequent Acquisition Transaction. Accordingly, the Board concluded that at an increased exchange ratio, there was a low risk that Shareholders that did not tender to the Revised Suncor Offer would remain minority Shareholders with an illiquid investment. The Board determined that it would be appropriate to seek an agreement with Suncor for an offer at 0.28 of a Suncor Share per Common Share, subject to reaching agreement on the terms of a support agreement in respect of the Revised Suncor Offer (the "Support Agreement").

On January 15, 2016, Suncor advised Canadian Oil Sands that it was prepared to offer 0.28 of a Suncor Share per Common Share, conditional on Suncor receiving satisfactory confirmation from certain major Shareholders of their intention to accept the Revised Suncor Offer and Canadian Oil Sands entering into a support agreement. Later on January 15, 2016, Suncor informed Canadian Oil Sands that it had received confirmation that certain Shareholders would tender at an increased exchange ratio.

From January 15 to 17, 2016 various drafts of a support agreement setting out the terms and conditions of the revised offer from Suncor were negotiated by the Board and members of management, with assistance from Osler and Norton Rose.

On January 17, 2016, the Board met with representatives of management, RBC Capital Markets, Osler, Norton Rose and Kingsdale and received an updated financial presentation from RBC Capital Markets. After discussion, RBC Capital Markets rendered to the Board an oral opinion to the effect that, as of such date and based upon and subject to the assumptions, qualifications and limitations stated in the opinion, the consideration offered under the Revised Suncor Offer is fair, from a financial point of view, to Shareholders. RBC Capital Markets subsequently delivered its written fairness opinion dated January 17, 2016. A copy of the opinion of RBC Capital Markets is attached as Schedule A to this Notice of Change. Ms. Trudy Curran, Senior Vice President, General Counsel and Corporate Secretary of Canadian Oil Sands, and representatives of Osler and Norton Rose reviewed the principal terms of the Support Agreement. Osler and Norton Rose also reviewed with the Board its fiduciary duties in the context of the Revised Suncor Offer. For a number of reasons more fully described under "Analysis and Reasons for Accepting the Revised Suncor Offer" in this Notice of Change and following a series of *in camera* sessions with the independent directors, the Board concluded that the Revised Suncor Offer is in the best interests of Canadian Oil Sands and the consideration under the Revised Suncor Offer is financially fair to Shareholders and resolved to enter into the Support Agreement and recommend to the Shareholders that they accept the Revised Suncor Offer and tender their Common Shares.

On January 18, 2016, prior to open of markets, Canadian Oil Sands and Suncor issued a joint press release announcing the Revised Suncor Offer and entering into of the Support Agreement.

The Board met on January 21, 2016, at which time it approved this Notice of Change.

AGREEMENTS RELATING TO THE REVISED SUNCOR OFFER

Support Agreement

Canadian Oil Sands and Suncor entered into the Support Agreement dated January 17, 2016, which sets out, among other things, the terms and conditions upon which the Revised Suncor Offer is being made by Suncor.

Summary of the Support Agreement

The following is a summary of certain material terms of the Support Agreement. This summary has been included to provide Shareholders with factual information respecting the terms of the Support Agreement and is qualified in its entirety by reference to the full text thereof, a copy of which was filed with the applicable Securities Regulatory Authorities on January 19, 2016 under Canadian Oil Sands' SEDAR profile at www.sedar.com. Readers are urged to consult the full text of the Support Agreement for further information.

Factual disclosures about the Corporation and Suncor contained in this Notice of and Change or in the Corporation's or Suncor's public reports filed with Securities Regulators may supplement, update or modify the factual disclosures about the Corporation and/or Suncor contained in the Support Agreement. The representations, warranties and covenants made in the Support Agreement by the Corporation and Suncor were made solely to the parties to, and solely for the purposes of, the Support Agreement and as of specific dates and were qualified and subject to important limitations agreed to by the Corporation and Suncor in connection with negotiating the terms of the Support Agreement. In particular, in reviewing the representations and warranties contained in the Support Agreement and described in this summary, it is important to bear in mind that the representations and warranties were negotiated with the principal purposes of establishing the circumstances in which a party to the Support Agreement may have the right not to consummate or support the Revised Suncor Offer if the representations and warranties of the other party prove to be untrue due to a change in circumstance or otherwise, and allocating risk between the parties to the Support Agreement, rather than establishing matters as facts. The representations and warranties may also be subject to a contractual standard of materiality different from those generally applicable to shareholders and reports and documents filed with securities regulators and in some cases were qualified by the matters contained in the disclosure letter that the Corporation delivered in connection with the Support Agreement, which disclosures were not reflected in the Support Agreement. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the Support Agreement. Shareholders and other investors should not rely on the representations, warranties and covenants or any description thereof as characterizations of the actual state of facts of the Corporation, Suncor or any of their respective subsidiaries or affiliates.

For the purposes of the following "Support Agreement" summary, all capitalized terms used but not otherwise defined shall have the meanings ascribed to such terms in the Support Agreement.

The Revised Suncor Offer

Suncor agreed to vary the terms of the Initial Suncor Offer to: (a) increase the amount offered per Common Share from 0.25 of a Suncor Share per Common Share to 0.28 of a Suncor Share for each Common Share; (b) to replace the conditions to the Initial Suncor Offer with the conditions set out in Schedule A to the Support Agreement, as more particularly described under "Conditions" below, including reducing the Minimum Tender Condition; (c) to extend the Expiry Time to 4:00 p.m. (Calgary time) on February 5, 2016 or such later date as Suncor may require not to exceed 10 days from the date on which the Suncor Notice of Variation is delivered pursuant to the Support Agreement; and (d) to remove the requirement of Suncor to provide the Mandatory Extension Period pursuant to the Revised Suncor Offer, such removal only to be effective concurrently with the waiver or suspension of the operation of the Existing Shareholder Rights Plan and the New Shareholder Rights Plan in respect of the Revised Suncor Offer and provided that Suncor has provided written notice to Canadian Oil Sands

that more than 90% of the Common Shares (on a fully-diluted basis) have been tendered to the Revised Suncor Offer on or prior to February 2, 2016.

Conditions

The Revised Suncor Offer is subject to the satisfaction of or waiver by Suncor of certain conditions set forth in the Support Agreement, including, among other things, that: (i) there shall have been validly deposited under the Revised Suncor Offer and not withdrawn at the Expiry Time (as defined below) such number of Common Shares which represents, in each case, on a fully-diluted basis (A) together with the Common Shares held directly or indirectly by Suncor and any of its affiliates, at least 51% of the outstanding Common Shares, (B) at least a majority of the outstanding Common Shares the votes of which would be included in any minority approval of a subsequent acquisition transaction pursuant to MI 61-101, and (C) more than 50% of the outstanding Common Shares held by Independent Shareholders (the "Minimum Condition"); (ii) all conditions precedent to amending the Initial Suncor Offer listed in the Support Agreement are satisfied by the Expiry Time, as if such conditions speak as of that time (including in respect of the deemed confirmation of the representations, warranties and covenants), including that there shall have been no Material Adverse Effect in respect of Canadian Oil Sands; (iii) all required regulatory approvals and other third party consents, waivers, permits and approvals (including stock exchange approvals) must continue to be in effect, or otherwise obtained or concluded, must be received on terms and conditions satisfactory to Suncor, acting reasonably, at or before the Expiry Time, except where the failure to provide or obtain such would not have a Material Adverse Effect (as such term is defined in the Support Agreement) on either of Suncor (before or after the consummation of the Revised Suncor Offer) or Canadian Oil Sands, or would not prohibit or restrict the consummation of the transactions contemplated in the Support Agreement, as applicable; and the ASC Order (as such term is defined in the Support Agreement) shall remain in full force and effect without amendment or modification thereto; (iv) the Support Agreement shall not have been terminated in accordance with its terms; (v) the Expiry Date (as such term is defined in the Support Agreement) will be on or before March 31, 2016, or such later date as may be agreed to in writing by Suncor and Canadian Oil Sands (the "Outside Date"); (vi) there shall not exist or have occurred any change in the business, financial condition or results of operations of Canadian Oil Sands and its subsidiaries taken as a whole which has resulted in a Material Adverse Effect with respect to Canadian Oil Sands; and (vii) Suncor shall not have become aware of any misrepresentation in certain publicly filed documents of Canadian Oil Sands which has a Material Adverse Effect on Canadian Oil Sands.

In the Support Agreement, "Material Adverse Change" or "Material Adverse Effect" means, with respect to any person, any fact or state of facts, circumstance, change, effect, occurrence or event which either individually is or in the aggregate are, or individually or in the aggregate could reasonably be expected to be, material and adverse to the business, operations, results of operations, properties, assets, liabilities, obligations (whether absolute, accrued, contingent or otherwise), or condition (financial or otherwise) of such Person and its Subsidiaries, taken as a whole, except to the extent of any fact or state of facts, circumstance, change, effect, occurrence or event resulting from or arising in connection with: (i) any matter or prospective matter which has, at or prior to the date of the Support Agreement, in the case of Suncor, been publicly disclosed by Suncor, and, in the case of Canadian Oil Sands, been publicly disclosed by Canadian Oil Sands; (ii) conditions affecting the oil and gas industry as a whole, including changes in Laws (including Tax Laws), GAAP or regulatory accounting requirements; (iii) any change in general economic, business, regulatory, or market conditions or in national or global financial or capital markets or commodity markets (including any decline in crude oil or natural gas prices on a current or forward basis); (iv) any changes in the trading price or trading volumes of Common Shares or Suncor Shares, as applicable, or any credit rating downgrade, negative outlook, watch or similar event relating to Suncor or Canadian Oil Sands, as applicable (provided, however, that the causes underlying such changes may be considered to determine whether such causes constitute a Material Adverse Change or Material Adverse Effect); (v) any changes in operations at the Syncrude Project (unless, in the case of Canadian Oil Sands, that change is materially adverse to the Syncrude Project); (vi) any decisions made by the Syncrude Management Committee; (g) any actions taken (or omitted to be taken) at the written request of the other Party to the Support Agreement; or (vii) any action taken by the Person or any of its Subsidiaries that is required pursuant to the Support Agreement.

Unless all of the conditions of the Revised Suncor Offer are satisfied or waived by Suncor at or prior to the Expiry Time, Suncor has the right to withdraw the Revised Suncor Offer or terminate the Revised Suncor Offer and shall not be required to take up, purchase or pay for, and shall have the right to extend the period of time during which the Revised Suncor Offer is open and postpone taking up and paying for, any Common Shares deposited under the Revised Suncor Offer.

Suncor must issue a news release upon the conditions to the completion of the Revised Suncor Offer being satisfied (the "Announcement"). The Support Agreement entitles Suncor to extend, or further extend, the time during which the Common Shares may be deposited under the Revised Suncor Offer. In the event Suncor takes up the Common Shares deposited to the Revised Suncor Offer, following the time at which Suncor first takes up Common Shares deposited to the Revised Suncor Offer (the "Initial Take-up Time"), unless the Existing Shareholder Rights Plan and New Shareholder Rights Plan are waived and more than 90% of the Common Shares have been tendered, Suncor is required to extend the time during which Common Shares may be deposited under the Revised Suncor Offer for a period of not less than 10 business days after the date of the Announcement (the "Mandatory Extension Period"), the Amended Expiry Time, as it may be so extended, being the "Expiry Time".

Modification or Waiver of Terms of the Revised Suncor Offer

The Support Agreement provides that Suncor may, in its sole discretion, modify or waive any term or condition of the Revised Suncor Offer or extend the Expiry Time; provided, however, that Suncor shall not, without the prior written consent of Canadian Oil Sands: (a) waive or amend the Minimum Tender Condition or Independent Shareholder Tender Condition (as defined in the Revised Suncor Circular) to a level below more than 50% of the outstanding Common Shares (on a fully diluted basis); (b) except as contemplated by Section 1.1(a)(iv) of the Support Agreement, waive the Mandatory Extension Period; (c) decrease the consideration per Common Share or change the form of consideration payable under the Revised Suncor Offer (other than to add additional consideration); (d) decrease the number of Common Shares in respect of which the Revised Suncor Offer is made; or (e) impose additional conditions to the Revised Suncor Offer or otherwise vary the Revised Suncor Offer (or any terms or conditions thereof) in a manner which is adverse to the Shareholders (it being understood that a waiver, in whole or in part, of any condition of the Revised Suncor Offer (other than the Minimum Tender Condition or the Independent Shareholder Tender Condition) and any extension of the Expiry Time in accordance with the Support Agreement shall not be considered adverse to the Shareholders).

Non-Solicitation Covenant of Canadian Oil Sands

Under the terms of the Support Agreement, Canadian Oil Sands has agreed that, except as otherwise provided in the Support Agreement, it shall not directly or indirectly through any of its officers, directors, employees, financial advisors, legal counsel, accountants and other agents and representatives (collectively, "Representatives"): (i) solicit, assist, initiate, encourage or otherwise facilitate (including by way of furnishing information or entering into any form of written or oral agreement, arrangement or understanding) any inquiries, offers or proposals regarding an Acquisition Proposal; (ii) enter into or participate in any discussions or negotiations regarding an Acquisition Proposal or otherwise cooperate in any way with, assist with or participate in any way in any effort or attempt by any person to make an Acquisition Proposal; (iii) withdraw, modify or qualify (or propose to do so) in a manner adverse to Suncor, the approval or recommendation of the Board or any committee thereof of the Revised Suncor Offer or the Support Agreement, as contemplated in the Support Agreement; (iv) approve or recommend or propose publicly to approve or recommend any Acquisition Proposal; or (v) accept, recommend, approve or enter into any letter of intent, agreement in principle, agreement, understanding or arrangement in respect of an Acquisition Proposal or providing for the payment of any break, termination or other fees or expenses to any Person in the event that Canadian Oil Sands completes the transactions contemplated in the Support Agreement or any other transaction with Suncor or any of its affiliates agreed to prior to any termination of the Support Agreement, whether formal or informal.

Canadian Oil Sands has also agreed that it shall, and it shall cause its Representatives to, immediately terminate any existing discussions or negotiations with any Person (other than Suncor) with respect to any

proposal that constitutes, or which could reasonably be expected to constitute, an Acquisition Proposal, whether or not initiated by Canadian Oil Sands and that it shall not amend, modify or waive any of the standstill (or similar) provisions of the confidentiality agreements entered into by Canadian Oil Sands with other Persons relating to a potential Acquisition Proposal and it shall enforce all such standstill (or similar) provisions.

Under the terms of the Support Agreement, Canadian Oil Sands is obligated: (i) as soon as practicable and in any event within 24 hours following receipt thereof to notify Suncor, at first orally and then in writing, of any inquiry, proposal or offer (or any amendment thereto) or request relating to or constituting an Acquisition Proposal, any request for discussions or negotiations, and/or any request for non-public information relating to Canadian Oil Sands or for access to properties, books and records or a list of the securityholders of Canadian Oil Sands or any amendments to the foregoing; such notice shall include the terms and conditions of, and the identity of the person making, any inquiry, proposal or offer (including any amendment thereto), and shall include, in the case of a written proposal or offer, copies of any such proposal or offer or any amendment to any of the foregoing; such notice shall include the terms and conditions of, and the identity of the person making, any inquiry, proposal or offer (including any amendment thereto), and shall include, in the case of a written proposal or offer, copies of any such proposal or offer or any amendment to any of the foregoing; and (ii) to keep Suncor promptly and fully informed of the status, including any change to the material terms, of any such proposal or offer or any amendment to the foregoing, and to respond promptly to all inquiries by Suncor with respect thereto.

The Support Agreement provides that if, after the date of the Support Agreement, Canadian Oil Sands receives a request for material non-public information in relation to a potential Acquisition Proposal which constitutes a *bona fide* Acquisition Proposal (that was not solicited, assisted, initiated, encouraged or facilitated after the date of the Support Agreement in contravention of the Support Agreement), and (i) the Board determines in good faith after consultation with its financial advisors and its legal counsel, that such Acquisition Proposal is, or could reasonably be expected to lead to, a Superior Proposal and (ii) the failure to provide the Person making such Acquisition Proposal with access to such information regarding Canadian Oil Sands would be inconsistent with the fiduciary duties of the Board, then, and only then, Canadian Oil Sands may provide such person with access to information regarding Canadian Oil Sands, subject to the execution of a confidentiality agreement which is in customary form and which does not provide for the acceptance, recommendation, approval or entering into of any letter of intent, agreement in principle, agreement or arrangement in respect of an Acquisition Proposal or the payment of any break, termination or other fees or expenses to any person in the event Canadian Oil Sands completes the transactions contemplated in the Support Agreement or any other transaction with Suncor or any of its affiliates agreed to prior to any termination of the Support Agreement, provided however that Canadian Oil Sands sends a copy of any such confidentiality agreement to Suncor promptly upon its execution and Suncor is provided with a list of or copies of the information provided to such person and is provided forthwith with access to similar information to which such Person was provided.

The Support Agreement defines "Acquisition Proposal" to mean any inquiry or the making of any proposal, whether or not in writing, to Canadian Oil Sands or Shareholders from any person, other than Suncor, or group of persons "acting jointly or in concert" (within the meaning of MI 62-104) which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions):

- (a) any direct or indirect sale, issuance or acquisition of shares or other securities (or securities convertible or exercisable for such shares or interests) in Canadian Oil Sands or any Subsidiary of Canadian Oil Sands that, when taken together with the securities of Canadian Oil Sands held by the proposed acquiror and any Person acting jointly or in concert with such acquiror, represent 20% or more of the voting securities of Canadian Oil Sands or any Subsidiary of Canadian Oil Sands or rights or interests therein and thereto;
- (b) any direct or indirect acquisition of a substantial amount of assets (or any lease, joint venture, acquisition of royalty interest, production, forward sale or prepayment, development agreement, long-term supply agreement or other arrangement having the same economic effect as a purchase or sale of a substantial amount of assets) of Canadian Oil Sands and its Subsidiaries, taken as a whole;

- (c) an amalgamation, arrangement, merger, or consolidation involving Canadian Oil Sands or any of its Subsidiaries; or
- (d) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization or similar transaction involving Canadian Oil Sands or any of its Subsidiaries;

except that for the purpose of the definition of "Superior Proposal", the references in this definition of "Acquisition Proposal" to "20% or more of the voting securities" shall be deemed to be references to "100% of the voting securities", and the references to "a substantial amount of assets" shall be deemed to be references to "all or substantially all of the assets".

The Support Agreement defines "Superior Proposal" to mean an unsolicited written *bona fide* Acquisition Proposal that:

- (a) is not subject to a financing condition and in respect of which any funds or other consideration necessary to complete the Acquisition Proposal have been demonstrated, to the satisfaction of the Board, acting in good faith (after receiving advice from its financial advisor(s) and outside legal counsel), to have been obtained or are reasonably likely to be obtained (as evidenced by a written financing commitment from one or more reputable financial institutions) to fund completion of the Acquisition Proposal at the time and on the basis set out therein;
- (b) the Board determines in good faith (after consultation with its financial advisor(s) and outside legal counsel) is capable of being completed in accordance with its terms without undue conditionality or delay, taking into account all financial, legal, regulatory and other aspects of such proposal and the Person making such proposal;
- (c) did not result or involve a breach of Canadian Oil Sands' non-solicitation covenants or Suncor's right to match any Acquisition Proposal in the Support Agreement or any other agreement between Canadian Oil Sands and the third party making such Acquisition Proposal and that complies with all applicable Laws;
- (d) is not subject to any due diligence or access condition; and
- (e) in respect of which the Board has determined in good faith (after the receipt of advice from its outside legal counsel in respect of (i) below and its financial advisor(s) in respect to (ii) below, in each case as reflected in the minutes of the Board), that (i) failure to recommend such Acquisition Proposal would be inconsistent with its fiduciary duties under applicable Laws, and (ii) such Acquisition Proposal, if consummated in accordance with its terms, would result in a transaction more favourable to the Shareholders, from a financial point of view, than the Revised Suncor Offer (including, in each case, after taking into account the agreement proposed by Suncor as contemplated in Suncor's right to match any Acquisition Proposal provision, of the Support Agreement).

Right to Match

Pursuant to the terms of the Support Agreement, Canadian Oil Sands has agreed that it will not accept, approve, recommend or enter into any agreement, understanding or arrangement in respect of an Acquisition Proposal (other than a confidentiality agreement permitted by the terms of the Support Agreement) or withdraw, modify or qualify its approval or recommendation of the Revised Suncor Offer and recommend or approve the Acquisition Proposal, unless: (i) the Board determines that the Acquisition Proposal constitutes a Superior Proposal; (ii) Canadian Oil Sands has complied with its obligations under all other provisions of Article 4 of the Support Agreement and has provided Suncor with a copy of the Acquisition Proposal; (iii) a period (the "Response Period") of five Business Days shall have elapsed from the later of (A) the date on which Suncor received written notice from the Board that the Board determined to accept, approve, recommend or enter into a binding agreement to proceed with the Superior Proposal, and (B) the date Suncor received a copy of such Acquisition

Proposal; (iv) after the Response Period, the Board determines in good faith, after consultation with its financial advisors and outside legal counsel, that such Acquisition Proposal continues to constitute a Superior Proposal; and (v) Canadian Oil Sands concurrently terminates the Support Agreement and has paid or concurrently pays to Suncor the Termination Payment (as defined below).

During the Response Period, Suncor has right, but not the obligation, to offer to amend in writing the terms of the Support Agreement and the Revised Suncor Offer. Canadian Oil Sands has agreed that, if requested by Suncor, it will negotiate with Suncor in good faith to amend the terms of the Support Agreement and the Revised Suncor Offer. The Board will review any such written amendment to determine, in good faith in the exercise of its fiduciary duties, and upon the advice of its financial advisors, whether the Acquisition Proposal to which Suncor is responding would be a Superior Proposal when assessed against the Revised Suncor Offer as proposed by Suncor to be amended. If the Board does not so determine, the Board will cause Canadian Oil Sands to enter into an amendment to the Support Agreement reflecting the proposal by Suncor to amend the terms of the Revised Suncor Offer and upon the execution by Canadian Oil Sands and Suncor of such amendment, Canadian Oil Sands will reaffirm its recommendation of the Revised Suncor Offer, as so amended. If the Board does so determine, Canadian Oil Sands may approve, recommend, accept or enter into an agreement, understanding or arrangement to proceed with the Superior Proposal, subject to the terms of and compliance with the Support Agreement. Each successive amendment to any Acquisition Proposal (including any Superior Proposal) that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by Shareholders shall constitute a new Acquisition Proposal (or a new Superior Proposal, where applicable) for the purposes of the Support Agreement and Suncor shall be afforded a new Response Period in respect of each such Acquisition Proposal.

Termination of the Support Agreement

The Support Agreement may be terminated at any time prior to the Expiry Date: (a) by mutual written consent of Suncor and Canadian Oil Sands; (b) by Suncor (i) prior to the mailing of this Notice of Change if certain conditions contained in the Support Agreement are not satisfied or waived by Suncor at or before mailing this Notice of Change (after giving effect to any applicable cure periods), or (ii) at the Expiry Time if any condition set out in Schedule A to the Support Agreement has not been satisfied or waived by Suncor at the Expiry Time; (c) by Canadian Oil Sands if (i) Suncor does not mail the Suncor Notice of Variation by 11:59 p.m. (Calgary time) on January 29, 2016 (the "Latest Mailing Time") (provided that Canadian Oil Sands has complied with its covenants and obligations in the Support Agreement), or (ii) the Revised Suncor Offer has been terminated or withdrawn by Suncor or if the Revised Suncor Offer, including any amendments or extensions thereto, expires pursuant to its terms without the Common Shares being taken up thereunder; (d) by either Suncor or Canadian Oil Sands, if the time at which Suncor first takes up Common Shares deposited to the Revised Suncor Offer (the "Initial Take-up Time") shall not have occurred on or prior to the Outside Date, except that the right to terminate the Support Agreement pursuant to this clause (d) shall not be available to any party whose failure to fulfill any of its covenants or obligations in the Support Agreement has been the cause of, or resulted in, the failure of the Initial Take-up Time to occur by such date; (e) by Canadian Oil Sands if Suncor shall not have performed in all material respects any material covenant to be performed by Suncor under the Support Agreement, or if any representation or warranty of Suncor shall have been or become untrue, in either case if such non-performance or untruth is not cured by Suncor within five Business Days after receipt by Suncor of written notice thereof from Canadian Oil Sands, and then only to the extent that the non-performance of the covenant, following such cure period, shall have a Material Adverse Effect on Suncor or the non-performance of the covenant or the failure of such representation or warranty to be true and correct, following such cure period, prevents Suncor from consummating the transactions contemplated by the Support Agreement; (f) by Suncor upon the occurrence of a Suncor Damages Event (as defined below); (g) by Canadian Oil Sands by written notice to Suncor in order to accept, approve, recommend or enter into a binding written agreement with respect to a Superior Proposal, the whole in accordance with, and without any breach of Canadian Oil Sands' non-solicitation covenants or Suncor's right to match any Acquisition Proposal in the Support Agreement, and only if Canadian Oil Sands concurrently pays to Suncor the Termination Payment; or (h) by Suncor, upon the occurrence of an Expense Reimbursement Event (as defined below).

Suncor Damages Fee

If at any time after the execution of the Support Agreement:

- (a) the Board fails to recommend that the Shareholders accept the Revised Suncor Offer or withdraws, amends, changes or qualifies, or resolves or proposes publicly to withdraw, amend, change or qualify, in any manner adverse to Suncor, any of its recommendations or determinations referred to in the Support Agreement except following a Material Adverse Change with respect to Suncor;
- (b) the Board fails to publicly reaffirm any of its determinations or recommendations referred to in the Support Agreement or within 24 hours of any written request to do so by Suncor (or, in the event that the Expiry Time is scheduled to occur within such 24 hour period, as soon as possible and in any event prior to the Expiry Time) except following a Material Adverse Change with respect to Suncor;
- (c) Suncor shall have terminated the Support Agreement as a result of the failure to satisfy the Minimum Tender Condition or Independent Shareholder Tender Condition following the public announcement or making of (or of an intention to propose) an Acquisition Proposal (or an amendment thereto) prior to the Expiry Time, and (either prior to or following termination of the Support Agreement) either (i) any Acquisition Proposal is consummated or effected, or (ii) Canadian Oil Sands (or any Subsidiary thereof) enters into a definitive agreement relating to any Acquisition Proposal in either case within twelve months of the date the first Acquisition Proposal described in this paragraph (c) is publicly announced, offered or made;
- (d) Canadian Oil Sands or the Board accepts, recommends, approves or enters into a definitive agreement to implement a Superior Proposal; or
- (e) Canadian Oil Sands is in breach or non-compliance with: (i) any of its covenants or obligations in Canadian Oil Sands' non-solicitation covenants or Suncor's right to match any Acquisition Proposal of the Support Agreement, for which there shall be no cure period, or (ii) any of its covenants or obligations in the Support Agreement relating to the mailing of this Notice of Change or the determinations of the Board, and the public announcement thereof, relating to the Revised Suncor Offer (except where failure to comply follows a Material Adverse Change with respect to Suncor) or in respect of a material change in the capital structure of Canadian Oil Sands that is adverse to Canadian Oil Sands (including by declaring or paying a dividend) or implementation of a third party royalty arrangement, which breach or non-compliance individually or in the aggregate, in the case of this paragraph (e)(ii) only, gives rise to, or would result in, at such time, the failure of a condition in the Support Agreement or a condition listed in Schedule A of the Support Agreement, if such breach or non-compliance, in the case of this paragraph (e)(ii) only and where capable of being cured, is not cured by Canadian Oil Sands by the earlier of (A) five Business Days after receipt by Canadian Oil Sands of written notice thereof from Suncor, and (B) the Expiry Time,

(each of the above being a "Suncor Damages Event"), then in the event of the termination of the Support Agreement by Suncor as a result thereof, Canadian Oil Sands shall pay to Suncor, within one Business Day of the first to occur of the foregoing, a fee in the amount of \$130 million (the "Termination Payment") as liquidated damages in immediately available funds to an account designated by Suncor, and after such event but prior to payment of such amount, Canadian Oil Sands shall be deemed to hold such funds in trust for Suncor, provided that in the case of a Suncor Damages Event pursuant to paragraph (d) above, such payment shall be made by Canadian Oil Sands to Suncor concurrently with the acceptance, recommending, approval or entering into of the Superior Proposal by Canadian Oil Sands.

If Canadian Oil Sands is in breach or non-compliance with its covenants to use its reasonable commercial efforts such that its directors and officers will not take, or cause to be taken, any action which is inconsistent with the Support Agreement or any covenant or obligation of Canadian Oil Sands contained in the Support Agreement

or which would render or may reasonably be expected to render any representation or warranty made by it in the Support Agreement untrue prior to the Expiry Time or which would reasonably be expected to materially impede the consummation of the transactions contemplated by the Support Agreement or prevent or delay the consummation of the transactions contemplated by the Support Agreement, in each case, except as expressly permitted by the Support Agreement (an "Expense Reimbursement Event") then, in the event of the termination of the Support Agreement by Suncor as a result thereof, Canadian Oil Sands is obligated to pay to Suncor, within one Business Day, a fee in the amount of \$20 million as liquidated damages in immediately available funds to an account designated by Suncor.

Treatment of COS Incentives

All of the COS Incentive Awards will be settled in cash upon the Announcement in accordance with the terms of the COS Incentive Award Plans.

Directors' and Officers' Insurance and Indemnification

Canadian Oil Sands agreed under the Support Agreement to purchase pre-paid non-cancellable run-off directors' and officers' liability insurance providing such coverage for such individuals on terms comparable to those contained in the current insurance policies for a period of ten (10) years.

Suncor agreed under the Support Agreement to not take any action, or cause Canadian Oil Sands or any of its subsidiaries to take any action, to terminate, amend or restrict any indemnity agreements in favour of current and former directors and officers of Canadian Oil Sands and its subsidiaries in place prior to the date of the Support Agreement.

Shareholder Rights Plans

Canadian Oil Sands agreed under the Support Agreement that no additional payment will be made for any rights issued and outstanding under the Existing Shareholder Rights Plan and New Shareholder Rights Plan, respectively, and no amount of consideration to be paid by Suncor for the Common Shares will be allocated to any rights associated with any Common Shares deposited to the Revised Suncor Offer and taken up and paid for by Suncor.

Canadian Oil Sands also agreed that, with effect at the time that is immediately prior to the Initial Take-up Time, Canadian Oil Sands shall irrevocably waive or suspend the operation of or otherwise render the Existing Shareholder Rights Plan and New Shareholder Rights Plan inoperative against (i) the Revised Suncor Offer, (ii) any acquisition by Suncor of Common Shares not tendered to the Revised Suncor Offer pursuant to Part 16 of the *Business Corporations Act* (Alberta), and (iii) any proposed arrangement, amalgamation, merger, reorganization, consolidation, recapitalization or other transaction involving Canadian Oil Sands and/or its subsidiaries and Suncor and/or its subsidiaries which, if successfully completed, will result in Suncor owning, directly or indirectly, all of the Common Shares. Subject to the foregoing, unless deemed to occur by the terms of Existing Shareholder Rights Plan and New Shareholder Rights Plan with respect to a competing take-over bid or a final and non-appealable order of a court having jurisdiction or an order of the Alberta Securities Commission, Canadian Oil Sands shall not redeem the Rights or otherwise waive, amend, suspend the operation of or terminate the Existing Shareholder Rights Plan and New Shareholder Rights Plan without the prior written consent of Suncor.

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

As part of its engagement, RBC Capital Markets 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 under the Revised Suncor Offer is fair, from a financial point of view, to Shareholders.

The full text of the written opinion of RBC Capital Markets is attached as Schedule A to this Notice of Change. You are urged to read the opinion carefully and in its entirety for a description of the procedures followed, matters considered and limitations on the review undertaken. The opinion addresses only the fairness, from a financial point of view, of the consideration offered under the Revised 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.

HOW TO DEPOSIT YOUR COMMON SHARES

Suncor has indicated that if you are a registered Shareholder (meaning that you have either a physical certificate or a DRS Advice representing your Common Shares registered in your name), you may accept the Revised Suncor Offer by delivering to Suncor's Depositary, a properly completed and executed Letter of Transmittal, in the form accompanying the circular mailed by Suncor and in respect of the Initial Suncor Offer (printed on yellow paper) and which is available on Canadian Oil Sands' SEDAR profile at www.sedar.com (filed on October 5, 2015), or a manually signed facsimile thereof, and depositing it along with, if applicable, the certificate(s) representing your Common Shares and any other required documents, at or prior to 4:00 p.m. (Calgary time) on February 5, 2016, unless the Revised Suncor Offer is extended or withdrawn, in accordance with the instructions in the Letter of Transmittal.

Suncor has indicated that if you are a registered Shareholder and wish to accept the Revised Suncor Offer but the certificates representing your Common Shares are not immediately available or you cannot provide the certificates or other required documents to the Depositary by 4:00 p.m. (Calgary time) on February 5, 2016, you may validly deposit your Common Shares under the Revised Suncor Offer in compliance with the procedures for guaranteed delivery using the Notice of Guaranteed Delivery (printed on blue paper) accompanying the circular mailed by Suncor in respect of the Initial Suncor Offer and which is available on Canadian Oil Sands' SEDAR profile at www.sedar.com (filed on October 5, 2015), or a manually signed facsimile thereof.

Suncor has indicated that if you are a non-registered Shareholder (meaning your Common Shares are held on your behalf, or for your account, by a broker, investment dealer, bank, trust company or other intermediary), you should contact such intermediary directly if you wish to accept the Revised Suncor Offer. Intermediaries may establish tendering cut-off times that are up to 48 hours prior to the 4:00 p.m. (Calgary time) on February 5, 2016. As a result, non-registered Shareholders wishing to tender their Common Shares should promptly and carefully follow the instructions provided to them by their broker, investment dealer, bank, trust company or other intermediary.

In addition, Suncor has indicated that certain non-registered Shareholders whose Common Shares are held by CDS may accept the Revised Suncor Offer, through their respective CDS Participant, by following the procedures for book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depositary at its office in Toronto, Ontario at or prior to 4:00 p.m. (Calgary time) on February 5, 2016. Any financial institution or other entity that is a participant in CDS can cause CDS to make a book-entry transfer of a Shareholder's Common Shares into the Depositary's account in accordance with CDS procedures for such transfer. Shareholders who wish to accept the Revised Suncor Offer by Book-Entry Confirmation should contact the Depositary for assistance. Contact details for the Depositary may be found on the last page of the Revised Suncor Circular.

See "Manner of Acceptance" in the Suncor Circular.

MATERIAL CHANGES IN THE AFFAIRS OF CANADIAN OIL SANDS

Except as otherwise described or referred to in this Notice of Change or as otherwise publicly disclosed, no other information is known to the directors or officers of Canadian Oil Sands that indicates any material change in the affairs or prospects of Canadian Oil Sands since the date of the last published interim financial report, being for the nine months ended September 30, 2015.

PARTICULARS OF CHANGES TO INFORMATION IN THE DIRECTORS' CIRCULAR

Since the date of the Directors' Circular, except as disclosed below, there have been no changes in the number and percentage of Common Shares, options to acquire Common Shares ("Options"), performance share units ("PSUs"), deferred share units ("DSUs") and restricted share units ("RSUs") of Canadian Oil Sands beneficially owned, or over which control or direction is exercised by directors and officers of Canadian Oil Sands, 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.

Changes in Ownership of Common Shares

Name and Position ⁽¹⁾	Number of Common Shares Beneficially Owned or Controlled (Percentage of Common Shares Outstanding) ⁽²⁾ as of the date of the Directors' Circular	Number of Common Shares Beneficially Owned or Controlled (Percentage of Common Shares Outstanding) ⁽²⁾ as of the date hereof ⁽³⁾
Ian A. Bourne Director	35,800 0.0074%	38,262 0.0079%
Sarah E. Raiss Director	22,180 0.0046%	24,642 0.0051%
Wesley R. Twiss Director	66,873 ⁽³⁾ 0.0138%	69,171 ⁽⁴⁾ 0.0143%

- (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) As of January 21, 2016, there were 484,614,325 Common Shares outstanding. There have been no changes to the number of outstanding Common Shares since the date of the Directors' Circular.
- (3) Increases relate to established purchases in open market for the equity component of the directors' fees.
- (4) 5,470 Common Shares are held by Mr. Twiss' spouse.

Changes in Ownership of DSUs

Name and Position ⁽¹⁾	Number of DSUs (Percentage of DSUs Outstanding) ⁽²⁾ as of the date of the Directors' Circular	Number of DSUs (Percentage of DSUs Outstanding) ⁽²⁾ as of the date hereof ⁽³⁾
Gerald W. Grandey Director	39,065 18.0670%	43,254 17.7481%
Arthur N. Korpach Director	24,449 11.3073%	28,555 11.7167%
Donald J. Lowry Chairman and Director	29,462 13.6257%	36,048 14.7913%
Sarah E. Raiss Director	7,150 3.3068%	7,195 2.9523%
John K. Read Director	40,894 18.9129%	45,094 18.5031%
Brant G. Sangster Director	34,309 15.8674%	38,471 15.7855%

Name and Position⁽¹⁾	Number of DSUs (Percentage of DSUs Outstanding)⁽²⁾ as of the date of the Directors' Circular	Number of DSUs (Percentage of DSUs Outstanding)⁽²⁾ as of the date hereof⁽³⁾
John B. Zaozirny, Q.C. Director	40,894 18.9129%	45,094 18.5031%

- (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) As of the date of the Directors' Circular, there were 216,223 DSUs outstanding. As of January 21, 2016, there were 243,711 DSUs outstanding.
- (3) Increases reflect grants of quarterly DSUs, quarterly dividend equivalents calculated on outstanding DSUs and a cumulative adjustment of fractional DSUs pursuant to the Corporation's DSU Plan.

Changes in Ownership of RSUs

Name and Position⁽¹⁾	Number of RSUs (Percentage of RSUs Outstanding)⁽²⁾ as of the date of the Directors' Circular	Number of RSUs (Percentage of RSUs Outstanding)⁽²⁾ as of the date hereof⁽³⁾
Scott Greenshields Vice President, Tax, Controller and Special Projects	5,168 7.4428%	5,200 7.4465%

- (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) As of the Date of the Directors' Circular, there were 69,436 RSUs outstanding. As of January 21, 2016, there were 69,831 RSUs outstanding.
- (3) Increase reflects quarterly dividend equivalents calculated on outstanding RSUs and a cumulative adjustment of fractional RSUs pursuant to the Corporation's Equity Incentive Plan.

Since the date of the Directors' Circular, except as disclosed below which identify automatic trades executed in accordance with the Corporation's director compensation plan, 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.

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⁾	15-12-2015	Acquisition in the public market	2,462	8.05
Sarah E. Raiss ⁽²⁾	15-12-2015	Acquisition in the public market	2,462	8.05
Wesley R. Twiss ⁽³⁾	15-12-2015	Acquisition in the public market	2,298	8.05

- (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.

Since the date of the Directors' Circular, except as disclosed below, no Common Shares or securities convertible into Common Shares have been issued to the current directors, officers or other insiders of Canadian Oil Sands.

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	30-11-2015	Grant of DSUs ⁽¹⁾	228	8.73
	15-12-2015	Grant of DSUs	3,961	8.20
Arthur N. Korpach	30-11-2015	Grant of DSUs ⁽¹⁾	145	8.73
	15-12-2015	Grant of DSUs	3,961	8.20
Donald J. Lowry	30-11-2015	Grant of DSUs ⁽¹⁾	172	8.73
	15-12-2015	Grant of DSUs	6,414	8.20
Sarah E. Raiss	30-11-2015	Grant of DSUs ⁽¹⁾	45	8.73
John K. Read	30-11-2015	Grant of DSUs ⁽¹⁾	239	8.73
	15-12-2015	Grant of DSUs	3,961	8.20
Brant G. Sangster	30-11-2015	Grant of DSUs ⁽¹⁾	201	8.73
	15-12-2015	Grant of DSUs	3,961	8.20
John B. Zaozirny	30-11-2015	Grant of DSUs ⁽¹⁾	239	8.73
	15-12-2015	Grant of DSUs	3,961	8.20
Scott Greenshields	30-11-2015	Grant of RSUs ⁽²⁾	32	8.75

(1) Grant represents quarterly dividend equivalents calculated on outstanding DSUs and a cumulative adjustment of fractional DSUs pursuant to the Corporation's DSU Plan.

(2) Grant represents quarterly dividend equivalents calculated on outstanding RSUs and a cumulative adjustment of fractional RSUs pursuant to the Corporation's Equity Incentive Plan.

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 NOTICE OF CHANGE

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

CERTIFICATE

DATED: January 22, 2016

The foregoing, together with the Directors' Circular of Canadian Oil Sands Limited dated October 19, 2015, 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) *"Ian. A. Bourne"*

Ian A. Bourne
Director

SCHEDULE A

OPINION OF RBC CAPITAL MARKETS



January 17, 2016

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 Canadian Oil Sands Limited (the "Company") and Suncor Energy Inc. ("Suncor") propose to enter into an agreement to be dated January 17, 2016 (the "Support Agreement") pursuant to which Suncor will agree to amend and extend its existing offer dated October 5, 2015, as varied and extended, to purchase all of the issued and outstanding common shares (the "Shares") of the Company to, among other things, increase the consideration offered per Share to 0.28 of a Suncor common share (the "Offer"). The terms of the existing offer are more fully described in: (i) the offer to purchase and take-over bid circular dated October 5, 2015; (ii) the notice of variation and change dated November 12, 2015; (iii) the notice of extension dated December 3, 2015; and (iv) the notice of extension dated January 8, 2016 (collectively the "Circular"), which have been mailed to holders of the Shares ("Shareholders"), and the Offer will be more fully described in a notice of variation and change to be mailed to Shareholders.

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 notice of change to directors' circular to be mailed to Shareholders in connection with the Offer 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 most recent draft, dated January 17, 2016, of the Support Agreement;
2. the Circular;
3. the directors' circular of the Company, dated October 19, 2015 (the "Directors' Circular");
4. audited financial statements of the Company for each of the five years ended December 31, 2010 through 2014;
5. unaudited interim reports of the Company for the quarters ended March 31, 2015, June 30, 2015 and September 30, 2015;
6. annual reports of the Company for each of the two years ended December 31, 2013 and 2014;
7. 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;
8. annual information forms of the Company for each of the two years ended December 31, 2013 and 2014;
9. 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;
10. the internal management budget of the Company for the year ending December 31, 2015;
11. 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;
12. audited financial statements of Suncor for each of the five years ended December 31, 2010 through 2014;
13. unaudited interim reports of Suncor for the quarters ended March 31, 2015, June 30, 2015 and September 30, 2015;
14. annual reports of Suncor for each of the two years ended December 31, 2013 and 2014;
15. the Notice of Annual General Meeting and Management Proxy Circulars of Suncor for each of the two years ended December 31, 2013 and 2014;
16. annual information forms of Suncor for each of the two years ended December 31, 2013 and 2014;
17. discussions with senior management of the Company;
18. discussions with the Company's legal counsel;
19. 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;

20. public information with respect to other transactions of a comparable nature considered by us to be relevant;
21. public information regarding the Canadian oil sands and global oil and gas industries;
22. 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
23. 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 the 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 fair, from a financial point of view, to the Shareholders.

Yours very truly,

RBC Dominion Securities Inc.

RBC DOMINION SECURITIES INC.

**QUESTIONS OR REQUESTS FOR INFORMATION CONCERNING
THE INFORMATION IN THIS NOTICE OF CHANGE 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