

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**1. Name and Address of Company:**

Canadian Oil Sands Limited (the “**Corporation**”)  
2000, 350 – 7<sup>th</sup> Avenue SW  
Calgary, AB T2P 3N9

**2. Date of Material Change:**

January 17, 2016

**3. News Release:**

A press release was issued by the Corporation on January 18, 2016 and disseminated through the facilities of Marketwired and CNW and subsequently filed on SEDAR.

**4. Summary of Material Change:**

On January 17, 2016, the Corporation and Suncor Energy Inc. (“**Suncor**”) announced that they had reached an agreement to support a revised offer by Suncor to purchase all of the shares of the Corporation. Under the terms of the support agreement (the “**Support Agreement**”), Suncor agreed to amend its offer (the “**Amended Offer**”) to provide for an increase in the original offer (the “**Initial Suncor Offer**”) to shareholders of the Corporation to 0.28 of a Suncor common share (“**Suncor Share**”) for each Common Share of the Corporation (“**Common Share**”).

**5. Full Description of the Material Change:**

On January 17, 2016, the Corporation and Suncor reached an agreement to support the Amended Offer by Suncor to purchase all of the Common Shares. Under the terms of the Support Agreement, Suncor agreed to amend the Initial Suncor Offer to shareholders of the Corporation to 0.28 of a Suncor Share for each Common Share. The Amended Offer, with a total aggregate transaction value of approximately \$6.6 billion, including the Corporation’s estimated debt of \$2.4 billion, has the support of the boards of directors of both companies.

The board of directors of the Corporation has received an opinion from its financial advisor, RBC Capital Markets, that, as of January 17, 2016, the consideration under the Amended Offer is fair, from a financial point of view, to shareholders of the Corporation. The board of directors of the Corporation has determined that the Amended Offer is in the best interests of the Corporation and recommends that shareholders tender to the Amended Offer.

A notice of variation and change for the Amended Offer was mailed to registered securityholders of the Corporation on January 22, 2016 and has been filed on the Corporation’s SEDAR profile. The Amended Offer includes an extension of the expiry time to 4:00 p.m. (MT) on February 5, 2016.

The Amended Offer is subject to certain conditions, including the acquisition by Suncor of at least 51% of the outstanding Common Shares (calculated on a fully-diluted basis) being validly tendered under the Amended Offer and not withdrawn. This minimum tender condition has been lowered from 66⅔%. Suncor has agreed that if it takes up any Common Shares, that it will pursue a subsequent acquisition transaction to acquire any Common Shares not tendered to the Amended Offer. As a result of lowering the minimum tender condition to 51%, there have been changes to

the expected U.S. federal income tax consequences to accepting the offer and Suncor expects that the receipt of Suncor Shares in exchange for Common Shares pursuant to the Amended Offer may be a taxable transaction for U.S. federal income tax purposes. Shareholders of the Corporation are urged to carefully review the amended U.S. federal income tax disclosure to be provided in Suncor's notice of variation and change in respect of the Amended Offer. The Amended Offer will continue to allow a tax-deferred rollover for Canadian shareholders of the Corporation.

Pursuant to the Support Agreement, the board of directors of the Corporation issued a notice of change to its directors' circular that contains its favourable recommendation to shareholders of the Corporation, together with the fairness opinion provided by RBC Capital Markets. The Corporation issued and mailed the notice of change with Suncor's notice of variation and change in connection with the Amended Offer. The Support Agreement contains, among other things, provisions for the suspension of dividends in the first quarter of 2016 by the Corporation, for non-solicitation of competing offers, provided that the Corporation has the right to consider superior proposals from other parties, subject to a right on the part of Suncor to match any such proposal and for a \$130 million break fee payable by the Corporation to Suncor in certain circumstances if the offer is not completed.

Full details of the Amended Offer and the related documents including, Suncor's notice of variation and change, the Corporation's notice of change to directors' circular and the Support Agreement, are available under the Corporation's profile at [www.sedar.com](http://www.sedar.com).

**6. Reliance on Subsection 7.1(2) of National Instrument 51-102:**

Not Applicable.

**7. Omitted Information:**

None.

**8. Executive Officer:**

For further information, please contact Trudy M. Curran, Senior Vice President, General Counsel and Corporate Secretary of the Corporation, at (403) 218-6200.

**9. Date of Report:**

January 22, 2016