



OCTOBER /2008

Sunshine Oilsands Ltd. ("Sunshine"), formed in February 2007, is an oil sands company holding over 1 million acres of oil sands mineral leases in the Athabasca Region in Alberta.

Our team of dedicated professionals is currently preparing a 10,000 bbl/d SAGD application for Phase 1 West Ells . We expect to file this application in December 2008.

This newsletter is the first edition of an ongoing series of newsletters designed to provide useful insights into our company and to keep our stakeholders informed. The newsletter will also provide a way for everyone involved in our projects to provide Sunshine with useful and constructive feedback.

STAKEHOLDER AND COMMUNITY CONSULTATION POLICY

Our community and stakeholder engagement strategy is simple and is outlined below:

- Facilitate open and effective communication with members of the public, regulatory bodies and industry who are, or may be, directly related to our proposed exploration and/or development activities;
- Provide communities and stakeholders with clear and timely information;
- Ensure that a transparent, respectful relationship is built and maintained with neighbors and key stakeholders in the area;
- Seek input into the design of the consultation process to ensure the communication and consultation needs of the neighbors are met;
- Establish a high level of inclusiveness when identifying those who may have an interest in our activities or proposed activities.

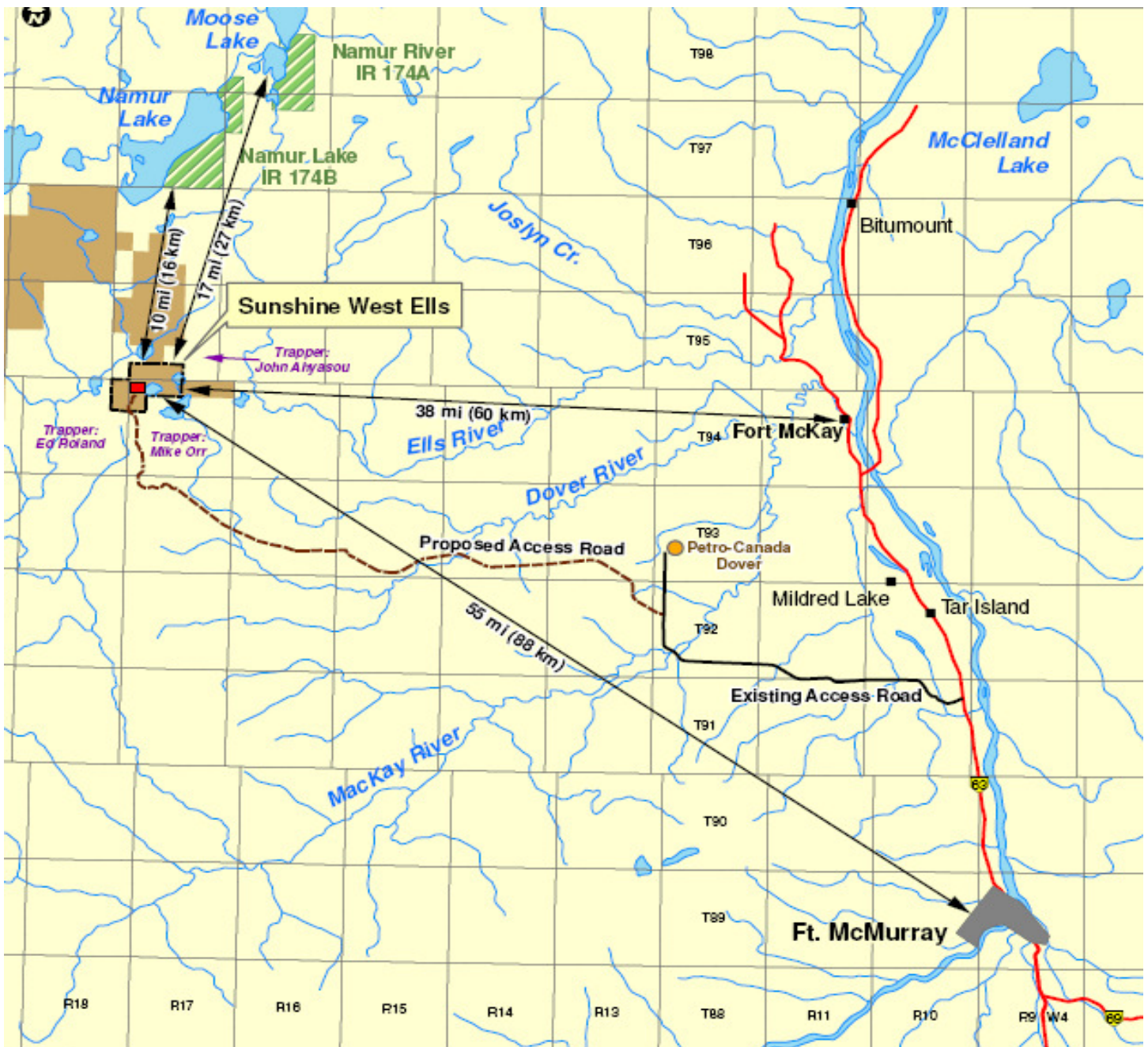
SUNSHINE BELIEVES THAT CONSULTATION WORKS BEST WHEN PROACTIVE COMMUNITY AND STAKEHOLDER ENGAGEMENT OCCURS.

MULTI USE HIGH GRADE ACCESS ROAD

Sunshine and various other area operators are currently reviewing the need for a high grade (all weather) access road into the West Ells area. Permanent all weather access is a requirement for this project for various reasons WITH THE TWO PRIMARY REASONS BEING: year round access and safety.

Sunshine would like to ensure that stakeholder comments are reviewed prior to regulatory submission. In an effort to be proactive and to generate area stakeholder dialogue regarding this proposed high grade access road, Sunshine is actively seeking feedback regarding this proposed access and we look forward to your comments.

The map below provides an overview of the proposed West Ells Phase 1 project location and the proposed multi- use high grade road location and relative distances to various locals.



SUNSHINE OILSANDS WINTER 08-09 ACTIVITIES

In addition to the West Ells Phase 1 pilot submission in December of this year, Sunshine Oilsands is actively engaged in planning exploration of our oil sands mineral leases and will be working in the following areas in the future:

- HARPER AREA (PLANNING 58 LOCATION CORE HOLE PROGRAM)
 - TOWNSHIPS 95 TO 100, RANGES 20-25 ALL W4M
- WEST ELLS AREA (PLANNING 37 LOCATION CORE HOLE PROGRAM)
 - TOWNSHIP'S 94-96, RANGES 17-18 ALL W4M
- SOUTHWEST ELLS AREA (PLANNING 32 LOCATION CORE HOLE PROGRAM)
 - TOWNSHIPS 93-94, RANGES 19-21 ALL W4M
- MUSKWA AREA (PLANNING 36 LOCATION CORE HOLE PROGRAM)
 - TOWNSHIPS 85-89, RANGES 24,26 W4M AND RANGES 1-2 W5M
- THICKWOOD AREA (PLANNING 7 LOCATION CORE HOLE PROGRAM)
 - TOWNSHIP 90, RANGE 18 W4M
- PORTAGE AREA (PLANNING 3 LOCATION CORE HOLE PROGRAM)
 - TOWNSHIP 78, RANGE 17 W4M
- PELICAN AREA (PLANNING 3 LOCATION CORE HOLE PROGRAM)
 - TOWNSHIPS 80-81, RANGE 24 W4M
- GOFFER AREA (PLANNING 5 LOCATION CORE HOLE PROGRAM)
 - TOWNSHIP 91, RANGE 1 W5M

We hope that this first edition of the Sunshine Oilsands “Light on the Horizon” Newsletter is useful and informative.

If you require any further information regarding anything contained in this newsletter do not hesitate to contact:

Jason Hancheruk, VP Regulatory, Environment and Stakeholder Affairs
 780.464.2933 (office)
 780.405.1532 (cell)
jhancheruk@sunshineoilsands.com

