



“LIGHT ON THE HORIZON” NEWSLETTER

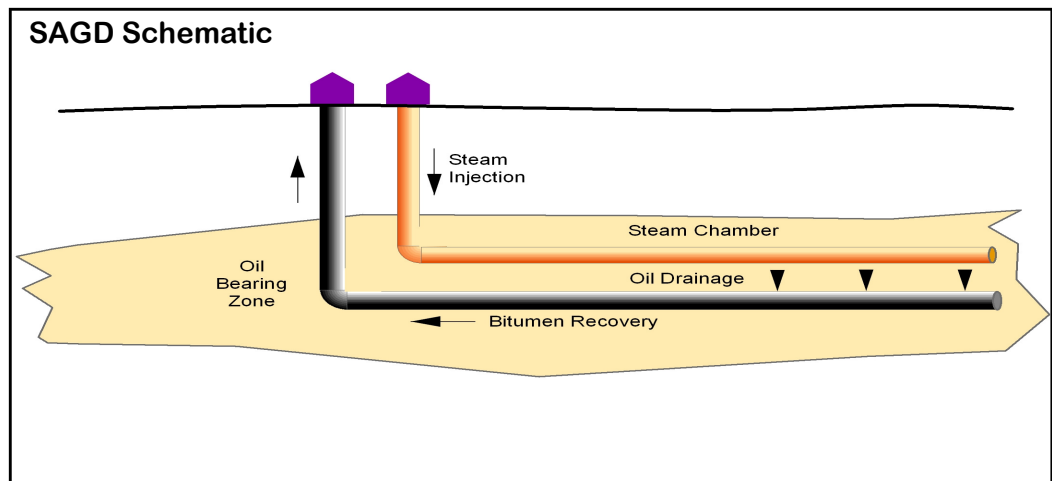


SUPPLEMENTAL

DECEMBER / 2008

About the West Ells SAGD Project

The bitumen resources at our West Ells Phase 1 project are located approximately 250 meters below the surface and will be extracted by proven SAGD (Steam Assisted Gravity Drainage) technology.



Future expansion at West Ells is proposed to include West Ells Phase 2 which is forecasted for completion 3 years after Phase 1 and will provide an additional 30,000 bbl/d of production and the company anticipates West Ells Phase 3 will add another 25,000 bbl/d of production 3 years after Phase 2.

The West Ells Phase 1 facility will include two well pads, (each with 6 or 7 horizontal well pairs), high grade access road, above ground pipelines and a central processing facility (CPF). At the CPF, the bitumen will be cleaned and diluted with condensate before it is transported via trucks, to an upgrader, where it will be refined into synthetic crude and other petroleum products.

The project will produce up to 10,000 barrels of bitumen per day for 25 years, and provide direct and indirect employment to approximately 40—65 people. **See page 2 of this supplement for details pertaining to our West Ells SAGD project footprint.**

Stakeholder Fast Facts:

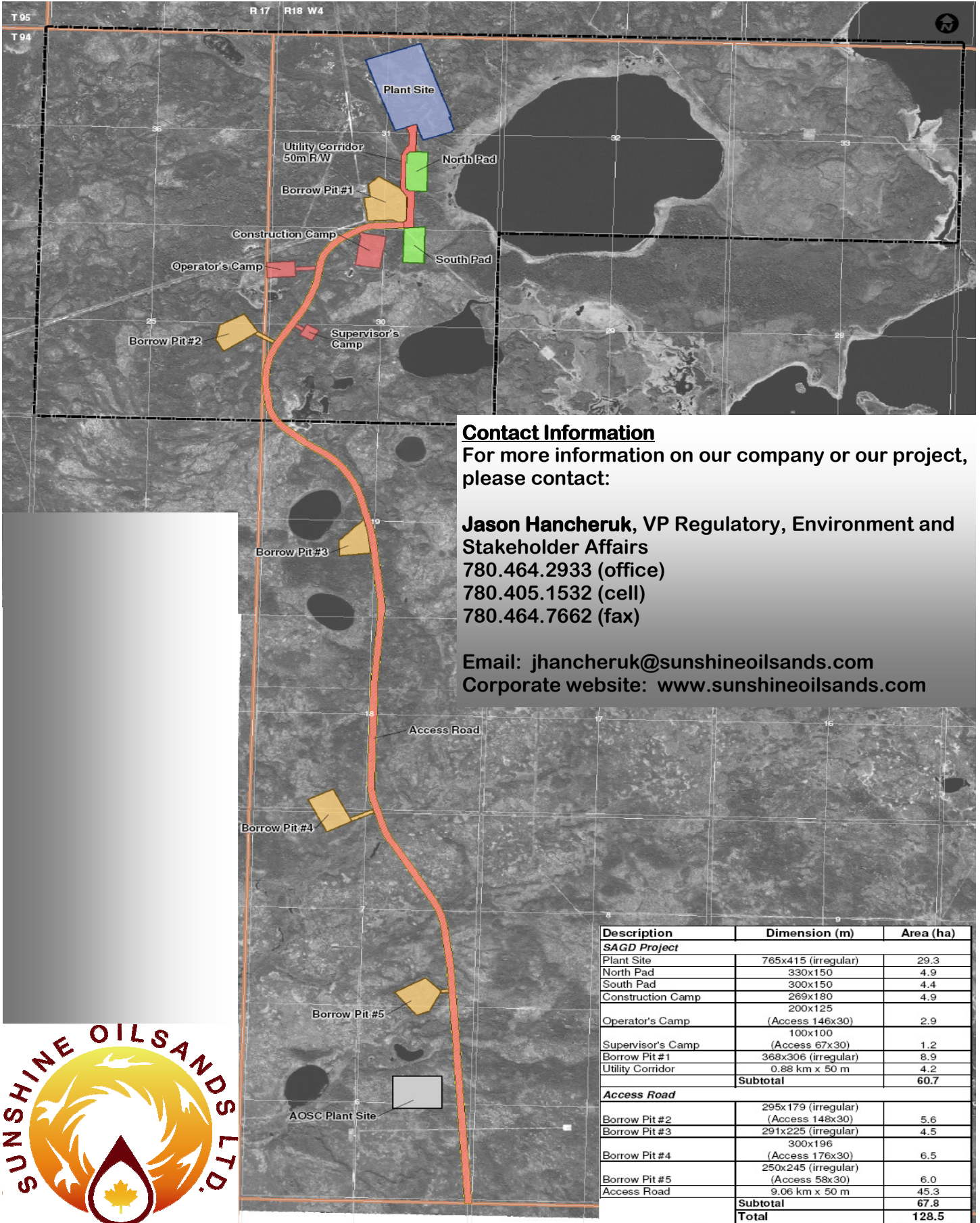
Surface Disturbance: The SAGD process greatly minimizes surface disturbance by horizontally drilling well pairs from one small pad location.

Air Quality: Levels of 'sulphur dioxide' and 'nitrous oxide' emissions will be strictly controlled to meet Alberta's air quality guidelines.

Water: Storm water will be collected and stored on-site in ponds. 95% of the water used in the SAGD process will be recycled water from the SAGD process.

Reclamation: At the end of the project's life, Sunshine Oilsands will decommission the plant and well pads in accordance with an Alberta Environment approved conservation and reclamation plan.

West Ells SAGD Project Footprint



Contact Information

For more information on our company or our project, please contact:

Jason Hancheruk, VP Regulatory, Environment and Stakeholder Affairs
 780.464.2933 (office)
 780.405.1532 (cell)
 780.464.7662 (fax)

Email: jhancheruk@sunshineoilsands.com
 Corporate website: www.sunshineoilsands.com

Description	Dimension (m)	Area (ha)
SAGD Project		
Plant Site	765x415 (irregular)	29.3
North Pad	330x150	4.9
South Pad	300x150	4.4
Construction Camp	269x180	4.9
Operator's Camp	200x125 (Access 146x30)	2.9
Supervisor's Camp	100x100 (Access 67x30)	1.2
Borrow Pit #1	368x306 (irregular)	8.9
Utility Corridor	0.88 km x 50 m	4.2
Subtotal		60.7
Access Road		
Borrow Pit #2	295x179 (irregular) (Access 148x30)	5.6
Borrow Pit #3	291x225 (irregular)	4.5
Borrow Pit #4	300x196 (Access 176x30)	6.5
Borrow Pit #5	250x245 (irregular) (Access 58x30)	6.0
Access Road	9.06 km x 50 m	45.3
Subtotal		67.8
Total		128.5

