SUNCOR ENERGY INC
Form F-80POS
November 12, 2015

As filed with the U.S. Securities and Exchange Commission on November 12, 2015

Registration Statement No. 333-207268

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 1

TO

FORM F-80

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

SUNCOR ENERGY INC.

(Exact Name of Registrant as Specified in Its Charter)

CANADA	**1311, 1321, 2911, 4613, 5171, 5172**	**98-0343201**
(Province or other jurisdiction of	**(Primary Standard Industrial**	**(I.R.S. Employer**

incorporation or organization)	**Classification Code Number (if applicable))**	**Identification Number (if applicable))**

150-6th Avenue S.W., P.O. Box 2844, Calgary, Alberta, Canada, T2P 3E3

(403) 296-8000

(Address and telephone number of Registrant s principal executive offices)

CT Corporation System

111 8th Avenue, 13th Floor, New York, New York 10011

(212) 894-8940

(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Copies to:

Janice B. Odegaard	**Donald R. Crawshaw**	**Chad Schneider**
Suncor Energy Inc.	**George J. Sampas**	**Blake, Cassels &**
150-6th Avenue S.W.,	**Sullivan & Cromwell LLP**	**Graydon LLP**
P.O. Box 2844	**125 Broad Street**	**855 - 2nd Street S.W.**
Calgary, Alberta	**New York, New York 10004-2498**	**Suite 3500, Bankers Hall**
Canada T2P 3E3	**(212) 558-4000**	**East Tower**
(403) 296-8000		**Calgary, Alberta**
		Canada T2P 4J8
		(403) 260-9600

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective.

This registration statement and any amendment thereto shall become effective upon filing with the Commission in accordance with Rule 467(a).

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to the home jurisdiction s shelf prospectus offering procedures, check the following box. ¨

Explanatory Note

The Registrant hereby amends its Registration Statement on Form F-80 (Commission File No. 333-207268), originally filed with the Commission on October 5, 2015 (the Registration Statement), to include the Notice of Variation and Change, dated November 12, 2015, which the Registrant filed in its home jurisdiction as a supplement to the Offer and Circular (as defined below).

The Registrant previously paid a registration fee of U.S.$80,274.72 with its filing of the Registration Statement in relation to its registration thereunder of 42,402,500 of its common shares.

PART I

INFORMATION REQUIRED TO BE DELIVERED TO OFFEREES OR PURCHASERS

1. Home Jurisdiction Document.
Offer to Purchase and Take-over Bid Circular dated October 5, 2015 (the Offer and Circular)*

Notice of Variation and Change, dated November 12, 2015 (the Notice of Variation)

2. Informational Legends.
See pages (iii) and (iv) (continuation of cover page) of the Offer and Circular.*

See page (ii) (continuation of cover page) of the Notice of Variation.

3. Incorporation of Certain Information by Reference.
As required by this Item, the Offer and Circular and Notice of Variation provide that copies of the documents incorporated by reference may be obtained on request without charge from the Corporate Secretary of the Registrant at P.O. Box 2844, 150 6th Avenue S.W., Calgary, Alberta, T2P 3E3, or by telephone at 1-800-558-9071.

4. List of Documents Filed with the Commission.
See the heading Documents Filed with the SEC as Part of the Registration Statement in the Offer and Circular* and the heading Additional Documents Filed with the SEC as Part of the Registration Statement in the Notice of Variation.

References to web addresses in the Offer and Circular and in the Notice of Variation are included as inactive textual references only. Except as specifically incorporated by reference into the Offer and Circular, information on these websites is not part of the Offer and Circular or Notice of Variation or part of this Registration Statement.

* Previously filed with the Registration Statement.

The Offer (as defined below) has not been approved by any securities regulatory authority nor has any securities regulatory authority expressed an opinion about the fairness or merits of the Offer, the securities offered pursuant to the Offer or the adequacy of the information contained in this document. Any representation to the contrary is an offence. ***Shareholders in the United States should read the Notice to Shareholders in the United States on page ii (continuation of the cover page) of this Notice of Variation and Change.***

This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment dealer, broker, lawyer or other professional advisor.

If you have questions, please contact D.F. King Canada, a division of CST Investor Services Inc., the information agent in connection with the Offer, by telephone at 1-866-521-4427 (Toll Free in North America) or 1-201-806-7301 (Banks, Brokers and Collect Calls) or by email at inquiries@dfking.com.

November 12, 2015

NOTICE OF VARIATION AND CHANGE

by

SUNCOR ENERGY INC.

of its

OFFER TO PURCHASE

all of the outstanding common shares of

CANADIAN OIL SANDS LIMITED

on the basis of 0.25 of a common share of Suncor Energy Inc.

for each common share of Canadian Oil Sands Limited

Suncor Energy Inc. (the **Offeror** or **Suncor**) hereby gives notice that it is amending its offer dated October 5, 2015 (the **Original Offer**) to purchase, on and subject to the terms and conditions of the Offer, all of the issued and outstanding common shares (**Company Common Shares**) of Canadian Oil Sands Limited (the **Company** or **COS**) together with the associated rights to purchase Company Common Shares (**Rights**) issued and outstanding under the Shareholder Rights Plan (the Company Common Shares, together with such Rights, the **Shares**), including any Shares that may become issued and outstanding after the date of the Original Offer but prior to the Expiry Time, to, among other things: (a) amend certain defined terms in connection with the Offer; and (b) provide additional disclosure, including financial information, with respect to certain matters relating to the Offer.

THE OFFER WILL BE OPEN FOR ACCEPTANCE FROM THE DATE HEREOF UNTIL 5:00 P.M. (CALGARY TIME) ON DECEMBER 4, 2015 UNLESS THE OFFER IS EXTENDED OR WITHDRAWN BY THE OFFEROR.

This Notice of Variation and Change should be read in conjunction with the Original Offer and accompanying circular dated October 5, 2015 (the **Original Circular** and together with the Original Offer, the **Original Offer and Circular**) and the associated letter of transmittal (the **Letter of Transmittal**) and notice of guaranteed delivery (the **Notice of Guaranteed Delivery**) (collectively, the **Original Offer Documents**). Except as otherwise set forth herein, the terms and conditions previously set forth in the Original Offer Documents continue to be applicable in all respects. Unless the context otherwise requires, references in this document to the **Offer** , the **Circular** and the **Offer and Circular** mean the Original Offer, the Original Circular and the Original Offer and Circular, respectively, each as amended and varied by this Notice of Variation and Change. Unless the context requires otherwise, terms used herein but not defined herein have the respective meanings set out in the Original Offer and Circular.

Shareholders who have validly deposited and not withdrawn their Shares are not required to take any further action to accept the Offer. Registered Shareholders (meaning Shareholders that have a physical share certificate or a DRS Advice representing their Shares) who wish to accept the Offer must properly complete and execute a Letter of Transmittal (printed on yellow paper) and tender it, together with, if applicable, the certificate(s) representing their Shares, in accordance with the instructions in the Letter of Transmittal. Alternatively, registered Shareholders may accept the Offer by following the procedures for guaranteed delivery as described in Section 3 of the Original Offer, Manner of Acceptance . Shareholders will not be required to pay any fee or commission if they accept the Offer by tendering their Shares directly with the depositary for the Offer, Computershare Investor Services Inc. (the **Depositary**).

Non-registered Shareholders whose Shares are held on their behalf, or for their account, by a broker, investment dealer, bank, trust company or other intermediary, should contact such intermediary directly if they wish to accept the Offer. Intermediaries may establish tendering cut-off times that are up to 48 hours prior to the Expiry Time. As a result, non-registered Shareholders wishing to tender their Shares should promptly and carefully follow the instructions provided to them by their broker, investment dealer, bank, trust company or other intermediary.

Certain non-registered Shareholders whose Shares are held in CDS Clearing and Depository Services Inc., or its nominee, (**CDS**) may accept the Offer, through their respective CDS Participant, by following the procedures for book-entry transfer established by CDS as described in Section 3 of the Original Offer, Manner of Acceptance .

Questions and requests for assistance may be directed to D.F. King Canada, a division of CST Investor Services Inc., the information agent in connection with the Offer (the **Information Agent**), J.P. Morgan Securities Canada Inc. or CIBC World Markets Inc., the dealer managers in connection with the Offer (the **Dealer Managers**), or the Depositary. Contact details may be found on the back page of this document. Additional copies of this document and related materials may be obtained without charge on request from the Information Agent, the Dealer Managers or the Depositary in the manner specified on the back page of this document. Copies of this document and related materials may also be found on SEDAR at www.sedar.com.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

The Offer is being made for the securities of a Canadian issuer by a Canadian issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare the Offer and Circular, including this Notice of Variation and Change, in accordance with the disclosure requirements of Canada. Shareholders in the United States should be aware that such requirements are different from those of the United States. The financial statements included or incorporated by reference in the Offer and Circular have been prepared in accordance with Canadian GAAP, and are subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of U.S. companies.

Shareholders in the United States should be aware that the disposition of their Shares and the acquisition of Offeror Common Shares by them as described herein may have tax consequences both in the United States and in Canada. Such consequences for Shareholders who are resident in, or citizens of, the United States may not be described fully herein and such Shareholders are encouraged to consult their tax advisors. See Section 18, Certain Canadian Federal Income Tax Considerations and Section 19, Certain United States Federal Income Tax Considerations of the Original Circular.

The enforcement by Shareholders of civil liabilities under U.S. federal Securities Laws may be affected adversely by the fact that each of the Offeror and the Company is incorporated under the Laws of Canada, that some or all of their respective officers and directors may be residents of a foreign country, that some or all of the experts named herein may be residents of a foreign country and that all or a substantial portion of the assets of the Offeror and the Company and said Persons may be located outside the United States.

THE OFFEROR COMMON SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE SEC) OR ANY U.S. STATE SECURITIES COMMISSION NOR HAS THE SEC OR ANY U.S. STATE SECURITIES COMMISSION

PASSED UPON THE ACCURACY OR ADEQUACY OF THE OFFER AND CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Shareholders should be aware that, during the period of the Offer, the Offeror or its affiliates, directly or indirectly, may bid for or make purchases of Offeror Common Shares or Shares, or certain related securities, as permitted by applicable Law or regulations of the United States, Canada or its provinces or territories.

INFORMATION CONTAINED IN THE NOTICE OF VARIATION AND CHANGE

Certain information contained in this document has been taken from or is based on documents that are expressly referred to in this document. All summaries of, and references to, documents that are specified in this document as having been filed, or that are contained in documents specified as having been filed, on SEDAR or with the SEC, are qualified in their entirety by reference to the complete text of those documents as filed, or as contained in documents filed, under the Offeror s profile at www.sedar.com. Shareholders are urged to read carefully the full text of those documents, which may also be obtained on request without charge from the Corporate Secretary of the Offeror at P.O. Box 2844, 150 6th Avenue S.W., Calgary, Alberta, Canada, T2P 3E3 or by telephone: 1-800-558-9071.

As of the date of this Notice of Variation and Change, the Offeror has not had access to the non-public books and records of the Company and the Offeror is not in a position to independently assess or verify certain of the information in the Company s publicly filed documents, including its financial statements and reserves disclosure. The Company has not reviewed the Offer and Circular or this document and has not confirmed the accuracy and completeness of the information in respect of the Company contained therein or herein. As a result, all historical information regarding the Company included therein and herein, including all Company financial and reserves information, and all pro forma financial and reserves information reflecting the pro forma effects of a combination of the Offeror and the Company, has been derived, by necessity, from the Company s public reports and securities filings. While the Offeror has no reason to believe that such publicly filed information is inaccurate or incomplete, the Offeror does not assume any responsibility for the accuracy or completeness of any such information. See Section 24 of the Original Circular, Risk Factors Risk Factors Related to the Offer and the Offeror The Offeror has been unable to independently verify the accuracy and completeness of the Company information in the Offer and Circular . None of the Company s public reports or securities filings are or have been incorporated by reference into the Offer and Circular or this document.

AVAILABILITY OF DISCLOSURE DOCUMENTS

The Offeror is a reporting issuer or the equivalent in all of the provinces and territories of Canada and files its continuous disclosure documents with the applicable Securities Regulatory Authorities. Such documents are available under the Offeror s profile at www.sedar.com. The Offeror is also subject to the reporting requirements of the Exchange Act and files certain documents with the SEC. Such documents may be obtained by visiting the SEC s website at www.sec.gov.

FORWARD-LOOKING STATEMENTS

Statements and information are forward-looking when they use what the Offeror knows and expects today to make a statement about the future. Forward-looking statements and forward-looking information as defined under applicable Securities Laws may be identified by the use of words such as aim , anticipate , assumption , believe , could , expe goal , guidance , intend , may , objective , outlook , plan , project , seek and will and similar expressio that are not historical facts.

The Offer and the Circular, including the documents incorporated by reference in the Offer and the Circular, and this Notice of Variation and Change, contain forward-looking statements and information. Readers are urged to consult the information provided under the heading Forward-Looking Statements commencing on page vi of the Original Offer and Circular for important information respecting the forward-looking statements and information provided therein. In addition, this Notice of Variation and Change contains forward-looking statements and information including, but not limited to, the Offeror s plans if the conditions to the Offer are not satisfied at the Expiry Time, the potential impact on the market price of the Shares if the Offer expires without the Offeror taking up and paying for any Shares under the Offer, the positioning of the Shares and Offeror Common Shares in relation to the price of oil, the Offeror s plans in respect of future dividend payments and returns to the Offeror Shareholders and Offeror Common Share repurchases, future capital expenditures by the Offeror, future oil prices, the Offeror s future growth projects, business, costs and prospects, the NYMEX CL Light Sweet Crude Oil futures and average NYMEX WTI future contract settlement prices, expectations respecting the Company s ability to meet its guidance including Syncrude s average production for 2015, the Company s future use of cash flow, ability to pay dividends and credit profile, the timing of Suncor s release of its 2016 budget and guidance, expectations respecting Syncrude s 2016 budget and the timing of its approval by the Syncrude Management Committee, and the anticipated effect of the Offer and expected benefits of tendering Shares to the Offer both to the Offeror and to Shareholders, including the anticipated synergies, cost savings, operational and cost efficiencies and commitments with respect to the combined entity and the Syncrude Project, anticipated future production growth of the Offeror, reserve life indices and other statements that are not historical facts. All such forward-looking statements and information are subject to important risks, uncertainties and assumptions. All such forward-looking statements are made, where applicable, pursuant to the safe harbor provisions of applicable Securities Laws. It is important to know that:

unless otherwise indicated, forward-looking statements and information in the Offer, the Circular and its appendices, including the documents incorporated by reference, and other sections of that document and in this Notice of Variation and Change describe the Offeror s expectations as at the date on which such statements are made;

the Offeror s and the Company s actual results and events could differ materially from those expressed or implied in the forward-looking statements and information in this Notice of Variation and Change and in the Offer and the Circular, including the documents incorporated by reference, if known or unknown risks affect their respective businesses or the Offer, or if its estimates or assumptions turn out to be inaccurate. As a result, the Offeror cannot guarantee that the results or events expressed or implied in any forward-looking statement and information will materialize, and accordingly, you are cautioned against relying on these forward-looking statements and information; and

the Offeror disclaims any intention and assumes no obligation to update or revise any forward-looking statement or information, in this Notice of Variation and Change, in the Offer and Circular or in any document incorporated by reference therein, even if new information becomes available, as a result of future events or for any other reason, except in accordance with applicable Securities Laws.

The Offeror made a number of assumptions with respect to forward-looking statements and information in this Notice of Variation and Change. In particular, in providing such statements and information, the Offeror has assumed, among other things, that: the anticipated synergies, cost savings and operational and cost efficiencies and other anticipated benefits of the Offer will materialize; the advice received from professional advisors is accurate; the Company s public disclosure is accurate and that the Company has not failed to publicly disclose any material information respecting the Company, its business, operations, assets, material agreements, or otherwise; there will be no material changes to government and environmental regulations adversely affecting the Offeror s operations; and the impact of the current economic climate and financial, political and industry conditions on the Offeror s and the Company s operations, including their respective financial condition, business plans and asset values, will remain consistent with the Offeror s current expectations. Future repurchases of Offeror Common Shares will, at all times, be subject to the receipt of all necessary regulatory and stock exchange approvals, the existence of favourable market and business conditions and the ability of the Offeror to meet all legal requirements related to such repurchases. All figures and descriptions provided in this Notice of Variation and Change related to the proposed transaction, including those around consideration, key metrics, reasons for the Offer, the potential benefits to the Offeror Shareholders and Shareholders (including increased shareholder returns and improved performance and administration savings) and expected pro forma effects are based on and assume the following: (a) the Offeror s and the Company s dividends, liquidity, debt, credit ratings, debt costs and assets (including reserves), will not change from what was the case on October 30, 2015, in the case of the Offeror, and from what the Offeror has ascertained from the Company s public filings on SEDAR up to and including October 30, 2015, in the case of the Company, and in the case of reserves, those reported by the Offeror and the Company in their most recent annual information forms as at December 31, 2014; (b) 484.6 million Shares issued and outstanding immediately prior to the date of the Offer; (c) that all of the Shares are tendered to the Offer pursuant to the terms thereof; and (d) no other Shares or Offeror Common Shares are issued before the successful completion of the Offer. The Offeror s expectations respecting production growth assume that the Offeror will maintain its current production levels and that its growth projects ramp up on schedule (and as previously disclosed by the Offeror). Assumptions have also been made with respect to future oil and gas prices, the timing of commissioning and start-up of the Offeror s capital projects and future foreign exchange and interest rates. With respect to the Company s future financial position and ability to pay dividends, the Offeror has based its expectations on information contained in the Company s public disclosure record and has assumed that the Company will carry on its business in a manner consistent with past practice and its publicly stated expectations. Although the Offeror believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that the forward-looking statements or information will prove to be accurate.

By their nature, forward-looking statements and information are based on assumptions and involve known and unknown risks, uncertainties and other factors that may cause the Offeror s and the Company s actual results, performance or achievements, or industry results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements and information. For a further discussion regarding the risks related to the Offer and the Offeror, readers are urged to consult the information provided under the heading Forward-Looking Statements commencing on page vi of the Original Offer and Circular and the information provided in Section 24 of the Original Circular, Risk Factors .

NON-GAAP MEASURES

Certain financial measures in this Notice of Variation and Change namely cash flow from operations, free cash flow, free cash flow per share and Oil Sands cash operating costs are not prescribed by GAAP. The non-GAAP measures presented herein do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other companies. As a result, these non-GAAP measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The non-GAAP measures included herein have been provided because management of the Offeror uses the information to analyze operating and financial performance and liquidity and therefore believes such information may be considered useful by Shareholders.

Oil Sands cash operating costs for the nine month period ended September 30, 2015 is defined and reconciled in Suncor s management s discussion and analysis for the three and nine month periods ended September 30, 2015, which is incorporated by reference in the Offer and Circular. Cash flow from operations is defined as cash flow provided by (used in) operating activities adjusted for changes in non-cash working capital. Free cash flow is defined as cash flow provided by (used in) operating activities adjusted for changes in non-cash working capital and less capital and exploration expenditures. Per share figures are calculated by dividing the weighted average number of shares outstanding in each period for each respective company. Reconciliations of cash flow from operations and free cash flow to the nearest GAAP measure are set out below.

Cash flow from operations

Suncor		**Three months ended**			
Twelve months ended September 30, 2015		**Sept 30,**	**June 30,**	**Mar 31,**	**Dec 31,**
($ millions)	**Total**	**2015**	**2015**	**2015**	**2014**
Cash flow provided by operating activities	7 456	2 771	1 794	876	2 015
Increase (decrease) in non-cash working capital	(452)	(889)	361	599	(523)
Cash flow from operations	7 004	1 882	2 155	1 475	1 492

Free cash flow and free cash flow per share

	Year ended December 31,			**Nine months ended September 30,**
Suncor ($ millions, except as otherwise noted)	**2012**	**2013**	**2014**	**2015**
Cash flow provided by operating activities	8 859	10 100	8 936	5 441
Increase (decrease) in non-cash working capital	874	(688)	122	71
Cash flow from operations	9 733	9 412	9 058	5 512
Capital and exploration expenditures	(6 957)	(6 777)	(6 961)	(4 637)
Free cash flow	2 776	2 635	2 097	875
Weighted average number of shares outstanding (millions)	1 545	1 501	1 462	1 445
Free cash flow per share ($)	**1.80**	**1.76**	**1.43**	**0.61**
Canadian Oil Sands ($ millions, except as otherwise noted)				
Cash flow provided by (used in) operating activities	1 864	1 583	745	315
Increase (decrease) in non-cash working capital	(283)	(236)	361	(87)

Cash flow from operations	1 581	1 347	1 106	228
Capital and exploration expenditures	(1 086)	(1 342)	(930)	(312)
Free cash flow	495	5	176	(84)
Weighted average number of shares outstanding (millions)	485	485	485	485
Free cash flow per share ($)	**1.02**	**0.01**	**0.36**	**(0.17)**

CURRENCY

All references to $ mean Canadian dollars. References to US$ mean United States dollars.

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SUMMARY OF UPDATED REASONS TO ACCEPT THE OFFER

Suncor is providing Shareholders with this Notice of Variation and Change to, among other things, provide certain updated information in respect of the reasons for Shareholders to accept the Offer as was originally outlined in the Summary and Section 4 of the Circular, Reasons to Accept the Offer . Updated information is outlined below. Readers are encouraged to refer to the Reasons to Accept the Offer section which follows for additional details.

An Increased Offer Premium

Suncor continues to believe that the consideration under the Offer is compelling and represents a full and fair price for the Shares at a substantial premium to the pre-Offer market price and provides Shareholders with the opportunity to increase their dividend received, maintain oil price exposure and participate in Suncor s future growth. Since October 5, 2015, the trading price of Suncor s shares has continued to increase as a result of, among other things, strong third quarter 2015 results which were, to a significant extent, attributable to Suncor s integrated business model. As the Offer consists of Suncor shares, this increase in Suncor s share price has increased the effective price Suncor is offering for the Shares and the premium being offered to Shareholders over the October 2, 2015 Share price. The Offer Consideration, as at October 30, 2015, represented an implied acquisition price of $9.73 per Share and a premium of 57% based on the closing price of the Shares on the TSX on October 2, 2015 (the last trading day before the Offer was announced) and the Offeror Common Shares on the TSX on October 30, 2015.

Shareholders will Retain Upside Oil Price Exposure with the Added Benefit of Downside Protection

Shareholders will essentially retain their oil price exposure following the successful completion of the Offer. Shareholders will not only be better protected in the near term period of low oil prices, they will also be better positioned for any long term oil price recovery. Over the last five years, Suncor s share price has largely benefited from the same upside exposure to oil prices as the Company s share price. At the same time, Suncor s share price has been insulated to the downside by its integrated business model. The Company does not enjoy this downside protection, given its single asset business model.

Suncor Can Walk Away from the Offer if its Conditions are Not Met on December 4, 2015

If Suncor s conditions are not met on December 4, 2015, Suncor has no obligation to extend the Offer and the Offer may expire pursuant to its terms. In this event, Suncor will not be obligated to take up or pay for any Shares tendered to the Offer. Suncor s conditions require, among other things, that 66⅔% of the Shares have been validly tendered to the Offer and not withdrawn on December 4, 2015 and that Suncor is successful in its application to the ASC (as defined below) to terminate the New Rights Plan (as defined below) of the Company. See Adoption by the Company of the New Rights Plan which follows. In the event that the conditions of the Offer are not met on December 4, 2015, and Suncor lets the Offer expire pursuant to its terms, the market price of the Shares could, in the absence of any alternative transactions available to the Company, decrease significantly to, or below, the Company s pre-Offer trading price of $6.19 per Share.

COS Continues to Release Guidance that is Unlikely to be Achieved

While the Company has been disclosing plans to improve performance at Syncrude over the past several years, it has consistently failed to deliver. To date in 2015, the Company has already revised down its production guidance twice, most recently on October 19, 2015 when it estimated that its share of production from Syncrude for 2015 would average between 93,000 barrels per day (**bbls/d**) and 98,000 bbls/d. Suncor believes that the Company is unlikely to achieve anything but the bottom end of this guidance range. Suncor notes that in order for Syncrude to achieve the 95 million barrels of production for 2015, which the Company recently expressed confidence in, Syncrude would be required to operate at 100% capacity for the remainder of the year, which is consistent with the Company s history of over promising and under delivering.

No Informational Imbalance

In the Company s Directors Circular dated October 29, 2015 (the **Directors Circular**) and subsequent disclosure, the Company claims that Suncor has an informational advantage as a result of its participation in Syncrude. In particular, the Company has implied that the timing of the Offer unfairly disadvantages Shareholders in light of the expected timing for public disclosure by the Company of information derived from any update to Syncrude s 2015 budget and outlook for 2016, which it has stated is expected to be disclosed in early December of 2015.

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Suncor has the same information as all of the parties involved in the Syncrude joint venture, including the Company. To the extent that the Company has any information about Syncrude which is material to its operations, that information should have been disclosed already by the Company. In line with Syncrude s past practice, the Syncrude Management Committee meeting at which the 2016 Syncrude budget is scheduled to be approved will be held in late November 2015. There is nothing preventing the Company from releasing its view of the Syncrude budget, or any additional information about Syncrude, prior to the expiry of the Offer on December 4, 2015.

In fact, the Company has already released updated operating costs, capital expenditures and annual production guidance for 2015 in its press release dated October 19, 2015 and corresponding updated 2015 Guidance Document. The press release issued by the Company on October 19, 2015 indicated, among other things, updated production and cost estimates, including that Syncrude s anticipated future capital expenditures are expected to average approximately $300 million net to the Company, annually to 2019. The Company also provided further information about its share of Syncrude s production and operating costs in its management discussion and analysis for the three and nine month periods ended September 30, 2015 (the **Q3 MD&A**) which was issued on October 29, 2015. Similar to the Company s management s discussion and analysis for the three and six month periods ended June 30, 2015 (the **Q2 MD&A**), the Q3 MD&A contains information about Syncrude s reductions in operating and capital costs, and Syncrude s efforts to reduce the scope of its activities and increase its efficiency. From what Suncor and other Syncrude owners have seen so far, Suncor believes that the Syncrude 2016 budget will show production in a similar range as the Company s 2014 and 2015 initial guidance and expects that operating and capital expenses will be approximately the same as what is currently expected for 2015. Suncor expects to release its 2016 budget and guidance, including its current expected share of Syncrude s production and costs, during the week of November 16, 2015.

The Company has also implied that Suncor timed the Offer to expire just before the information about Syncrude s budget would be released. Suncor did not intentionally time the Offer to expire before the release of this information in early December. That was not a consideration.

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NOTICE OF VARIATION AND CHANGE

TO: THE HOLDERS OF SHARES OF CANADIAN OIL SANDS LIMITED

This Notice of Variation and Change amends, varies and supplements the information provided in the Original Offer and Circular pursuant to which the Offeror is offering to purchase all of the Shares on the terms and subject to the conditions contained in the Offer and the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, each as may be amended and supplemented from time to time.

Except as otherwise set forth in this Notice of Variation and Change, the information, terms and conditions previously set forth in the Original Offer Documents continue to be applicable in all respects and this Notice of Variation and Change should be read in conjunction with the Original Offer Documents, all the provisions of which are incorporated herein by reference, subject to the amendments thereto contained in this Notice of Variation and Change.

1. Reasons to Accept the Offer

Suncor continues to believe that the consideration under the Offer represents a full and fair price for the Shares at a substantial premium to the pre-Offer market price and provides Shareholders with the opportunity to increase their dividend received, maintain oil price exposure and participate in Suncor s future growth.

The following information is supplemental to and provides an update to the Summary and Section 4 of the Original Circular, Reasons to Accept the Offer . This update is provided primarily to update certain of the information contained in the Original Offer and Circular, including as a result of the release by Suncor and the Company of their respective results for the three and nine months ended September 30, 2015. See also Third Quarter Results and Updated Pro Forma Consolidated Financial Statements and Consolidated Capitalization in this Notice of Variation and Change.

Premium to Market Price and Full and Fair Value

Suncor believes that the Offer is financially compelling to Shareholders. The Offer Consideration, as at October 30, 2015, represented an implied acquisition price of $9.73 per Share and a premium of 57% based on the closing price of the Shares on the TSX on October 2, 2015 (the last trading day before the Offer was announced) and the Offeror Common Shares on the TSX on October 30, 2015. Due to the subsequent increase in Suncor s share price from October 5, 2015 to October 30, 2015, this also represents an increase of over 10% in the implied value being offered for the Shares since the Offer was announced on October 5, 2015.

Suncor Can Walk Away from the Offer if its Conditions are Not Met on December 4, 2015

If Suncor s conditions are not met on December 4, 2015, Suncor has no obligation to extend the Offer and the Offer may expire pursuant to its terms. In this event, Suncor will not be obligated to take up or pay for any Shares tendered to the Offer. Suncor s conditions require, among other things, that 66$\frac{2}{3}$% of the Shares have been validly tendered to the Offer and not withdrawn on December 4, 2015 and that Suncor is successful in its application to the ASC to terminate the New Rights Plan of the Company. See Adoption by the Company of the New Rights Plan which follows. In the event that the conditions of the Offer are not met on December 4, 2015, and Suncor lets the Offer expire pursuant to its terms, the market price of the Shares could, in the absence of any alternative transactions available to the Company, decrease significantly to, or below, the Company s pre-Offer trading price of $6.19 per Share.

Interest in Canada s Leading Integrated Energy Company with Superior Liquidity and Market Access

As Shareholders will receive Offeror Common Shares as consideration under the Offer, they will become investors in Suncor, Canada s leading integrated energy company, with a significantly larger market capitalization, strong investment grade financial profile and share liquidity well above that currently enjoyed by the Company. In contrast to the Company, whose business is almost entirely composed of a non-operated interest in the Syncrude Project, Suncor has a well-diversified operated asset portfolio with complementary upstream and downstream operations.

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Suncor s integrated business model is designed to access world prices for crude oil and mitigate differential volatility thereby consistently generating free cash flow. This has enabled Suncor to fund its capital program and planned growth projects and deliver increasing dividends and substantial share buybacks to its shareholders over the past number of years, even in sustained periods of lower commodity prices. In particular, Suncor s downstream refining and marketing (**R&M**) business, which is an industry leader in profitability and reliability, has enabled Suncor to capture margins across the value chain and maximize the value of its oil sands production.

Notes:

(1) Net earnings per barrel of capacity. Peers consist of Alon USA Energy, Inc., CVR Refining, LP, the U.S. downstream divisions of Chevron Corporation and Exxon Mobil Corporation, HollyFrontier Corporation, the downstream divisions of Imperial Oil Limited and Husky Energy Inc., Marathon Petroleum Corporation, PBF Energy Inc., Phillips 66 Company, Tesoro Corporation, United Refining Company, Valero Energy Corporation and Western Refining, Inc. United Refining Company had not reported third quarter 2015 net earnings as of November 3, 2015 and were thus excluded from the figure for the nine months ended September 30, 2015. Suncor, CVR Refining, LP and Husky Energy Inc. report net earnings on a first-in-first-out inventory valuation basis, while other peers report on a last-in-first-out basis and therefore Suncor s net earnings in a given period may not be comparable to those peers.

(2) Source: U.S. Energy Information Administration.

Shareholders will Retain Upside Oil Price Exposure, with the Added Benefit of Downside Protection

Shareholders will essentially retain their oil price exposure following the successful completion of the Offer. Shareholders will not only be better protected in the near term period of low oil prices, they will also be better positioned for any long term oil price recovery. Over the last five years, Suncor s share price has largely benefited from the same upside exposure to oil prices as the Company s share price. At the same time, Suncor s share price has been insulated to the downside by its integrated business model. The Company does not enjoy this downside protection, given its single asset business model.

Suncor believes that protection from falling oil prices and from a lower for longer oil price environment should be of great interest to Shareholders, as oil prices have declined following the date of the Offer, with forward strip prices to 2019 decreasing even further since such date. At October 30, 2015, average NYMEX WTI future contract settlement prices had decreased to US$50.76 per bbl for 2016, US$53.88 per bbl for 2017, US$56.15 per bbl for 2018 and US$57.87 per bbl for 2019. At October 30, 2015, NYMEX CL Light Sweet Crude Oil futures contract settlement prices had decreased to US$50.23 per bbl for 2016, US$53.61 per bbl for 2017, US$55.93 per bbl for 2018 and US$57.70 per bbl for 2019.

Shareholders will also benefit from the diversification of Suncor s upstream production asset base and its increased ability to realize global oil prices as a result of its integrated business model which in turn helps to mitigate cash flow volatility from changing oil price differentials.

Notes:

(1) Current and pro forma percentages are based on boe production for the nine months ended September 30, 2015.
(2) North American Onshore and Libya.
(3) Suncor s gross revenues net of royalties less purchases of crude oil and products and less transportation, divided by upstream production. All figures rounded to the nearest dollar.

Enhanced Production and Reserves

Through their ownership of Offeror Common Shares following the successful completion of the Offer, Shareholders will continue to indirectly participate in any value increases associated with the Company s current business and any value increases as a result of Suncor s increased interest in the Syncrude Project to 48.74% following and taking into account the successful completion of the Offer.

Since 2012, Suncor has consistently provided meaningful production growth for its shareholders, particularly when compared to the production of the Company during the same period. Since the beginning of 2012, Suncor has realized a compound annual upstream production growth rate of approximately 9%. In comparison, since 2012, the Company has realized a negative compound annual production growth rate of approximately 6%.

Suncor anticipates that its production will continue to grow, including from two of its large scale growth projects, Fort Hills and Hebron (collectively representing close to 125,000 boe/d of expected additional production, net to Suncor, once the projects are fully operational). The projects are expected to commence production in late 2017, with a ramp-up of production continuing into 2019 for Fort Hills and 2020 for Hebron. With this additional production, and assuming that Suncor maintains its current aggregate production levels, Suncor expects average annual production growth of approximately 5% over the next five years (from 2015 to 2019, inclusive).

Notes:

(1) Compound annual growth rate.
(2) Excludes Suncor s Libyan and North American Onshore production.

Upon the successful completion of the Offer, Suncor will add to its long-life, low decline reserves base. As at December 31, 2014, Suncor had proved (1P) reserves of approximately 4.7 billion boe and proved plus probable (2P) reserves of approximately 7.5 billion boe, which are more than four times the Company s reported proved (1P) reserves of approximately 0.7 billion boe and approximately 1.6 billion boe of proved plus probable (2P) reserves. Assuming the successful completion of the Offer, the combined entity will have approximately 9.1 billion boe of proved plus probable reserves and a reserves life index (RLI) of greater than 38 years.

Notes:

(1) Reserves are presented as working interest (operated and non-operated) share before deduction of royalties and without including any royalty interests, and as of December 31, 2014.
(2) As at December 31, 2014 and assumes that approximately 7.5 billion boe of proved and probable reserves are produced at a rate of 534,900 boe/d, Suncor s average daily production rate in 2014.
(3) As at December 31, 2014 and assumes that approximately 1.6 billion boe of proved and probable reserves are produced at a rate of 94,557 boe/d, COS average daily production rate in 2014.

Free Cash Flow Generation

The Company, which has an undiversified portfolio, currently relies on its non-operated interest in a single oil sands project to fund its operations and provide returns to its shareholders, which has resulted in decreasing free cash flow and dividends over the last five years. The Company s cash flow suffers greatly in low crude oil price environments, especially when compared to that of Suncor, whose business model and operational discipline resulted in cash flow well in excess of dividends and sustaining capital even in a lower oil price environment.

Notes:

(1) Based on 180,000 bbls/d of capacity for Firebag plus 38,000 bbls/d of capacity for MacKay River.
(2) Includes $318 million of capitalized interest.

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For the 12 months ended September 30, 2015, Suncor generated approximately $7.0 billion of cash flow from operations and approximately $7.5 billion of cash flow provided by operating activities. From January 1, 2012 to September 30, 2015, Suncor generated $5.60 per share of free cash flow as compared to $1.22 per share free cash flow generated by the Company during the same period.

Notes:

(1) Free cash flow, free cash flow per share and cash flow from operations are non-GAAP measures. See Non-GAAP Measures in this Notice of Variation and Change.
(2) Figures are divided by the weighted average number of shares outstanding in each period for each respective company.

Superior Returns to Shareholders

Suncor has a strong track record of returning value to its shareholders, as compared generally to its industry peers and specifically to the Company. For example, from October 3, 2010 to October 2, 2015 (the last trading day prior to commencement of the Offer), Suncor s shareholders have received a total return (including dividends) of 15%, compared to a total return of -69% for Shareholders of the Company during the same period.

Note:

(1) Source: Bloomberg, from October 3, 2010 to October 2, 2015.

Suncor s annual dividend has increased for 13 consecutive years, and in the past five years, Suncor has provided its shareholders with a compound annual dividend growth rate in excess of 20%, which places it among the leaders of its peer group. In the third quarter of 2015, the Offeror announced a further increase in its quarterly dividend to $0.29 per Offeror Common Share. In contrast, in the past five years, the Company (formerly a trust) has reduced its quarterly dividend/distribution from a high of $0.50 per trust unit in 2010 to its current low of $0.05 per Share. Given the Company s relatively high debt load, Suncor expects that the Company will have to devote a portion of its future cash flows to repair its balance sheet and will therefore be further limited in its ability to pay dividends to Shareholders.

On a quarterly, per Share basis, Shareholders whose Shares are taken up and paid for pursuant to the Offer are expected to realize a dividend increase of approximately 45% per Share, as compared to the dividend they currently receive from the Company.

Notes:

(1) Global peers in alphabetical order, not necessarily as they appear in the chart: Anadarko Petroleum Corporation, Apache Corporation, COS, Cenovus Energy Inc., Chesapeake Energy Corporation, Chevron Corporation, Canadian Natural Resources Limited, ConocoPhillips Co., Devon Energy Corporation, Encana Corporation, Enersis S.A., EOG Resources Inc., Exxon Mobil Corporation, Hess Corporation, Husky Energy Inc., Imperial Oil Limited, Marathon Oil Corporation, Murphy Oil Corporation, Occidental Petroleum Corporation, Royal Dutch Shell P.L.C. and Total S.A.

(2) Includes distributions on the trust units of the Company s predecessor prior to December 31, 2010.

In addition to its track record of steady dividend growth, Suncor has returned value to its shareholders by repurchasing and subsequently cancelling over $5.3 billion of Offeror Common Shares from 2011 to 2015, representing approximately 10% of the outstanding Offeror Common Shares as at the date hereof. During the same period, the Company conducted no share repurchases.

Note:

(1) Based on the weighted average number of shares outstanding in each year for 2011 to 2014 and as at September 30, 2015 in the case of 2015, and assumes a quarterly dividend going forward of $0.29 per Suncor share (subject to approval by the Offeror Board).

Suncor intends to continue to provide meaningful returns to its shareholders, including Shareholders who hold Offeror Common Shares following the completion of the Offer, by providing a competitive and sustainable dividend. In addition, following the completion of the Offer and subject to market conditions, Suncor is anticipating resumption of its previously announced $500 million normal course issuer bid program and expects to continue to target additional Offeror Common Share repurchases of up to $250 million through the end of the first quarter of 2016 (including $40 million worth of Offeror Common Shares repurchased in the three months ended September 30, 2015), subject to market conditions and the timely completion of the Offer. As required by Securities Laws, purchases under Suncor s normal course issuer bid have been temporarily suspended until the completion of the Offer.

Superior Financial Profile

Suncor is a financially sound company with a strong investment grade credit profile and lower cost of debt relative to the Company and many industry peers. Suncor s balance sheet and cash flow from operations are resilient, even in a lower commodity price environment. Suncor remains committed to maintaining its strong financial position in support of its base business and its significant growth profile following the completion of the Offer. As at September 30, 2015, Suncor s net debt to capitalization was 17%, and would have been 19% on a pro forma basis, assuming the successful completion of the Offer. In contrast, the Company s reported net debt to capitalization ratio was a relatively high 36% as of September 30, 2015 and the Company has a marginal investment grade credit profile, which Suncor believes could continue to deteriorate in an ongoing lower crude oil price environment.

Note:

(1) Net debt is defined as total debt less cash and cash equivalents. Capitalization is defined as total debt plus the book value of shareholders equity.

Suncor is focused on a disciplined and rigorous approach to the management of operating and capital costs and anticipates that, following completion of the Offer, it will continue to maintain and seek to further reduce its already competitive Oil Sands cash operating costs of $27.80/bbl for the nine months ended September 30, 2015.

Assuming completion of the Offer, Suncor expects to realize a number of opportunities to improve efficiencies and reduce operating costs of the combined entity as it relates to Syncrude. Suncor believes that, following the successful completion of the Offer, synergies can be realized with respect to both its own and the Company s existing Syncrude interests through operational and integration efficiencies and that there will be significant opportunities to achieve reductions in, among others, administration and corporate expenses. Suncor currently expects to realize approximately $25 million in annual general and administration cost savings as a result of such efficiencies. Further, Suncor expects that the complementary nature of Suncor s current operations and infrastructure will enable Suncor to achieve meaningful reductions in the Company s stand-alone operational and marketing expenses.

COS Continues to Release Guidance that is Unlikely to be Achieved

While Suncor does not intend to take over operatorship of Syncrude as a result of the Offer (which, pursuant to the terms of the relevant Syncrude agreements, would in any case require additional partner approval), with a significantly increased interest (48.74%) in Syncrude, Suncor will commit additional experienced operational personnel to work closely with the operator to improve reliability and long-term strategic decision-making. While the Company has been disclosing improved performance targets at Syncrude over the past several years, those targets have rarely been achieved as is demonstrated in the chart below, which highlights the Company s disclosed guidance for Syncrude production versus the actual results achieved over the past four years.

While the Company has been disclosing plans to improve performance at Syncrude over the past several years, it has consistently failed to deliver. To date in 2015, the Company has already revised down its production guidance twice, most recently on October 19, 2015 when it estimated that its share of production from Syncrude for 2015 would average between 93,000 bbls/d and 98,000 bbls/d. Suncor believes that the Company is unlikely to achieve anything but the bottom end of this guidance range. Suncor notes that in order for Syncrude to achieve the 95 million barrels of production for 2015, which the Company recently expressed confidence in, Syncrude would be required to operate at 100% capacity for the remainder of the year, which is consistent with the Company s history of over promising and under delivering.

No Informational Imbalance

In the Directors Circular and subsequent disclosure, the Company claims that Suncor has an informational advantage as a result of its participation in Syncrude. In particular, the Company has implied that the timing of the Offer unfairly disadvantages Shareholders in light of the expected timing for public disclosure by the Company of information derived from any update to Syncrude s 2015 budget and outlook for 2016, which it has stated is expected to be disclosed in early December of 2015.

Suncor has the same information as all of the parties involved in the Syncrude joint venture, including the Company. To the extent that the Company has any information about Syncrude which is material to its operations, that information should have been disclosed already by the Company. In line with Syncrude s past practice, the Syncrude Management Committee meeting at which the 2016 Syncrude budget is scheduled to be approved will be held in late November 2015. There is nothing preventing the Company from releasing its view of the Syncrude budget, or any additional information about Syncrude, prior to the expiry of the Offer on December 4, 2015.

In fact, the Company has already released updated operating costs, capital expenditures and annual production guidance for 2015 in its press release dated October 19, 2015 and corresponding updated 2015 Guidance Document. The press release issued by the Company on October 19, 2015 indicated, among other things, updated production and cost estimates, including that Syncrude s anticipated future capital expenditures are expected to average approximately $300 million net to the Company, annually to 2019. The Company also provided further information about its share of Syncrude s production and operating costs in its Q3 MD&A which was issued on October 29, 2015. Similar to the Q2 MD&A, the Q3 MD&A contains information about Syncrude s reductions in operating and capital costs, and Syncrude s efforts to reduce the scope of its activities and increase its efficiency. From what Suncor and other Syncrude owners have seen so far, Suncor believes that the Syncrude 2016 budget will show production in a similar range as the Company s 2014 and 2015 initial guidance and expects that operating and capital expenses will be approximately the same as what is currently expected for 2015. Suncor expects to release its 2016 budget and guidance, including its current expected sha