

May 18, 1999

SYMBOL: "SHN.UN"-TSE

**NEWS RELEASE
FOR IMMEDIATE RELEASE**

**SHININGBANK ENERGY ANNOUNCES FIRST QUARTER FINANCIAL
RESULTS**

Shiningbank Energy Income Fund today announced its financial results for the three months ended March 31, 1999. Revenues totalled \$8.4 million on average production of 4,374 barrels of oil equivalent per day (boepd) for first quarter 1999 compared to \$7.5 million on average production of 4,017 boepd for first quarter 1998. Approximately 68% of revenue in the quarter came from sales of natural gas. The Fund distributed \$0.35 per Trust Unit for the quarter compared to \$0.37 per Trust Unit in 1998. Twelve month trailing distributions aggregate \$1.41 per Trust Unit.

One property acquisition was completed during the first quarter which added to the Fund's position at Penhold in central Alberta. This acquisition will increase production and reduce operating costs through the addition of gas plant processing capacity in the area. In the second quarter, the Fund announced the acquisition of producing wells in the Radial Lake area of west-central Alberta at a cost of \$4.2 million. This long-life, liquids-rich gas property fits well with Shiningbank's operations and is expected to add over 140 boepd of production, 80% natural gas. These acquisitions were funded from existing credit lines.

Proceeds from the issue of 1.1 million Trust Units in the first quarter, at \$9.50 each, reduced long term debt at the end of the quarter to \$30.9 million, down from \$39.2 million at the end of 1998. After the closing of the Radial Lake acquisition, expected on May 31, long term debt will be approximately \$35 million or 2.2 times estimated 1999 cash flow, leaving Shiningbank with a healthy balance sheet and room to add further to its properties in 1999.

Shiningbank provides its unitholders with a high-quality asset base, a strong financial position and experienced management. Its oil production is high quality, light gravity crude oil providing optimum netbacks. Approximately 60% of Shiningbank's production volume is from liquids-rich natural gas.

Shiningbank Energy Income Fund is a conventional oil and gas royalty trust and its units are listed on The Toronto Stock Exchange under the symbol "SHN.UN".

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**Shiningbank Energy Income Fund
First Quarter 1999 Highlights**

Financial (\$ thousands except per Trust Unit amounts)	Three months ended March 31,	
	1999	1998
Oil and natural gas sales	8,420	7,537
Net earnings (loss)	(136)	82
Distributable income	3,426	2,771
Per Trust Unit	0.35	0.37
Capital expenditures	1,364	9,663
Long term debt	30,889	27,736
Unitholders' equity	59,416	52,930
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Operations		
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Daily production volumes		
Oil (Bopd)	1,184	1,281
Natural gas (Mmcf/d)	25.2	23.3
Natural gas liquids (Bopd)	673	403
Oil equivalent (Boe/d)	4,374	4,017
Average prices		
Oil (C\$/bbl)	\$ 17.97	\$ 20.20
Natural gas (C\$/mcf)	\$ 2.53	\$ 2.19
Natural gas liquids (C\$/bbl)	\$ 12.68	\$ 16.70
Oil equivalent (C\$/boe)	\$ 21.39	\$ 20.85
Field netback per boe	\$ 11.32	\$ 10.58