

August 18, 1999

SYMBOL: "SHN.UN"-TSE

**NEWS RELEASE
FOR IMMEDIATE RELEASE**

**SHININGBANK ENERGY ANNOUNCES STRONG
SECOND QUARTER 1999 FINANCIAL RESULTS**

Shiningbank Energy Income Fund today announced its financial results for the second quarter and six months ended June 30, 1999. Revenues totalled \$9.2 million on average production of 4,429 barrels of oil equivalent per day (boepd) for second quarter 1999 compared to \$6.9 million on average production of 3,869 boepd for second quarter 1998. Approximately 68% of revenue in the quarter came from sales of natural gas. For the first six months of 1999 revenues were \$17.6 million, up 22% from \$14.5 million in 1998. The Fund distributed \$0.38 per Trust Unit for the quarter, up from \$0.35 per Trust Unit in 1998, bringing distributions for 1999 to \$0.73 per Trust Unit compared to \$0.72 for the comparable period of 1998. Twelve month trailing distributions aggregate \$1.43 per Trust Unit.

In the second quarter, the Fund completed 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 adds over 140 boepd of production, 80% natural gas. Several other smaller acquisitions, predominantly gas focused, brought total acquisitions for the quarter to \$5.3 million and \$5.9 million for the year to date. These acquisitions were funded from existing credit lines.

Since the quarter end, Shiningbank has completed a major acquisition of assets in the Caroline, Alberta area and a \$19.8 million equity financing. Production optimization work at Caroline commenced in early August and the positive effects of the acquisition will be felt in the third quarter, 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".

For further information please contact:

David M. Fitzpatrick, President and C.O.O. or
Bruce K. Gibson, Vice President, Finance
Shiningbank Energy Management Inc.
Telephone: (403) 268-7477
Facsimile: (403) 268-7499
E-Mail: shiningbank@shiningbank.com

Shiningbank Energy Income Fund Second Quarter 1999 Highlights

Financial (\$ thousands except per Trust Unit amounts)	Three months ended June 30,		Six months ended June 30,	
	1999	1998	1999	1998
Oil and natural gas sales	9,199	6,941	17,619	14,478
Net earnings (loss)	842	(33)	706	49
Cash flow	4,280	2,747	7,463	5,665
Distributable income	3,720	2,621	7,146	5,392
Per Trust Unit	0.38	0.35	0.73	0.72
Capital expenditures	5,593	3,729	6,957	13,391
Long term debt	38,609	21,713	38,609	21,713
Unitholders' equity	56,478	60,691	56,478	60,691

Operations

Daily production volumes				
Oil (bbl/d)	1,106	1,355	1,145	1,318
Natural gas (Mmcf/d)	27.5	21.0	26.3	22.2
Natural gas liquids (bbl/d)	572	412	623	408
Oil equivalent (Boe/d)	4,429	3,869	4,402	3,942
Average prices				
Oil (C\$/bbl)	\$ 22.89	\$ 17.52	\$ 20.36	\$ 18.81
Natural gas (C\$/mcf)	\$ 2.44	\$ 2.10	\$ 2.48	\$ 2.15
Natural gas liquids (C\$/bbl)	\$ 15.34	\$ 13.40	\$ 13.91	\$ 15.02
Oil equivalent (C\$/boe)	\$ 22.83	\$ 19.44	\$ 22.12	\$ 20.29
Field netback per boe	\$ 13.84	\$ 10.77	\$ 12.59	\$ 10.67