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SYMBOL: "SHN.UN" - TSE

**NEWS RELEASE
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Shiningbank Energy Announces Significant Reserve Increases

Shiningbank Energy Income Fund (the "Fund") today announced significant increases in its oil and gas reserves following the release of its 1999 year-end reserves evaluation prepared by Paddock Lindstrom & Associates Ltd.

Highlights of the report are as follows:

1. Established reserves (Proven plus 50% Probable) increased by 11.1% from year end 1998 to 16.4 million barrels of oil equivalent ("mmboe").
2. Reserve additions through acquisitions and exploitation replaced 195% of 1999 production at a cost of \$5.81 per established boe. Strategic facility assets were also purchased in 1999 that generate third party processing revenues. When the capital cost of these assets are included, total acquisition costs equate to \$6.60 per established boe. The operating netback (revenue less operating costs and royalties) for the reserves produced in 1999 is estimated at \$14.32 per boe resulting in a recycle ratio (netback/cost) of 2.2.
3. The present value of established reserves, evaluated at a discount rate of 12%, increased 25% during the year to \$121.2 million.

The following tables summarize Shiningbank's reserve estimates at December 31, 1999:

	Crude Oil (mmbbl)	NGL's (mmbbl)	Natural Gas (Bcf)	Oil Equivalent (mmboe)
Proven	4,481	2,050	76.5	14,183
Probable	2,134	567	17.6	4,466
Total Proven plus Probable	6,615	2,617	94.1	18,649
Established	5,548	2,334	85.3	16,416

Present Worth of Established Reserves (pre-tax)	December 31, 1999 (\$ millions)	December 31, 1998 (\$ millions)
Undiscounted	242.9	208.8
Discounted at 10%	131.5	106.0
Discounted at 12%	121.2	96.9
Discounted at 15%	108.7	86.0

Shiningbank Energy Income Fund continued to deliver consistent returns to its unitholders in 1999, with a total pre-tax return of 22.5%. The superior quality of the reserve base, together with numerous acquisitions, provided for distributions totaling \$1.60/unit in 1999. The fourth quarter 1999 distribution of \$0.45 per unit set a record distribution for the Fund.

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

For further information please contact:

Arne R. Nielsen, Chairman and C.E.O. or
David Fitzpatrick, President and C.O.O.
Shiningbank Energy Management Inc.
Telephone: (403) 268-7477
Facsimile: (403) 268-7499