

May 18, 2000

SYMBOL: "SHN.UN"-TSE

**NEWS RELEASE
FOR IMMEDIATE RELEASE**

**SHININGBANK ENERGY ANNOUNCES STRONG
FIRST QUARTER 2000 FINANCIAL RESULTS**

Shiningbank Energy Income Fund today announced its financial results for the three months ended March 31, 2000. The information presented in this news release is expressed on a barrel of oil equivalent basis using a conversion ratio from natural gas to oil of six thousand cubic feet (mcf) per barrel of oil equivalent (boe). Previously, in Canada, it was common to convert gas to oil at 10 mcf per boe, which approximated historical relative sales values. The use of the 6:1 ratio has been accepted practice in the United States for many years and more accurately reflects the relative heating and economic values of the fuels. With improved access to U.S. gas markets, and continued improvements in natural gas prices, Canadian oil and gas companies and the investment community are adopting the 6:1 equivalent ratio. To facilitate the transition in 2000, Shiningbank will also include the 10:1 conversion in our reports.

Revenues for the first quarter totalled \$14.7 million on average production of 6,800 boe per day (boe/d) (4,983 at 10:1), up 75% from \$8.4 million on average production of 6,051 boe/d (4,374 at 10:1) for first quarter 1999. Approximately 67% of production in the quarter came from natural gas (55% at 10:1). The Fund distributed \$0.50 per Trust Unit for the quarter, up from \$0.35 per Trust Unit in 1999. Twelve-month trailing distributions aggregate \$1.75 per Trust Unit.

First quarter acquisition activity totalled \$2.3 million from five transactions. Four of the acquisitions involved either the purchase of an interest in a property adjacent to one of Shiningbank's properties, or the interest of a partner in an existing property. The fifth was the purchase of a small royalty interest in a gas property in British Columbia. These properties will add production of 145 boe/d (95 at 10:1) split 80% gas and 20% oil and NGL. Established reserves additions (proven plus 50% of probable) totalled 433,100 boe (333,500 at 10:1). The cost of the properties equates to \$5.24/boe (\$6.81 at 10:1). To date in the second quarter, the Fund has committed to spend \$3.4 million to acquire additional properties, all of which should increase our percentage of natural gas production.

On May 2, 2000, Shiningbank announced a friendly take-over bid for the shares of Raider Resources Ltd., a gas-weighted exploration and production company, for total consideration of \$38 million including the assumption of net debt estimated at \$13 million. The Raider acquisition is expected to close in early June 2000, and will add significantly to the Fund's production and reserve base. The Raider assets are currently producing approximately 8,300 mcf/d of natural gas and 250 bbl/d of oil and NGL from core properties in west-central Alberta and Ontario.

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 providing optimum netbacks. Approximately 67% 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 2000 Highlights**

| Financial (\$ thousands except per Trust Unit amounts) | Three months ended March 31, | |
|---|---------------------------------|-----------------|
| | 2000 | 1999 |
| Oil and natural gas sales | \$ 14,734 | \$ 8,420 |
| Royalties | (2,895) | (1,429) |
| Operating expenses | (2,997) | (2,536) |
| OPERATING NETBACK | 8,842 | 4,455 |
| General and administrative | 499 | 551 |
| Management fees | 295 | 166 |
| Interest | 589 | 525 |
| Capital and large corporation taxes | 76 | 30 |
| CASH FLOW | 7,383 | 3,183 |
| Depreciation, depletion and site restoration | 3,875 | 3,319 |
| NET EARNINGS (LOSS) | \$ 3,508 | \$ (136) |
| Cash flow | \$ 7,383 | \$ 3,183 |
| Capital expenditures | (168) | (538) |
| Working capital adjustments and other | (1,317) | 781 |
| Distributable income | \$ 5,898 | \$ 3,426 |
| Per Trust Unit | \$ 0.50 | \$ 0.35 |
| Acquisitions and development costs | 2,898 | 1,364 |
| Long term debt | 34,806 | 30,889 |
| Unitholders' equity | 66,525 | 59,416 |

Operations

| | | |
|-------------------------------|----------|----------|
| Daily production volumes | | |
| Oil (bbl/d) | 1,491 | 1,184 |
| Natural gas (mcf/d) | 27,251 | 25,166 |
| Natural gas liquids (bbl/d) | 767 | 673 |
| Oil equivalent 6:1 (boe/d) | 6,800 | 6,051 |
| Oil equivalent 10:1 (boe/d) | 4,983 | 4,374 |
| Average prices | | |
| Oil (C\$/bbl) | \$ 37.16 | \$ 17.97 |
| Natural gas (C\$/mcf) | \$ 3.03 | \$ 2.53 |
| Natural gas liquids (C\$/bbl) | \$ 31.36 | \$ 12.68 |
| Oil equivalent 6:1(C\$/boe) | \$ 23.81 | \$ 15.46 |
| Oil equivalent 10:1(C\$/boe) | \$ 32.49 | \$ 21.39 |