

September 5, 2000

SYMBOL: "SHN.UN"-TSE

**NEWS RELEASE
FOR IMMEDIATE RELEASE**

SHININGBANK ANNOUNCES SIGNIFICANT LONG-LIFE GAS ACQUISITION

Shiningbank Energy Income Fund ("Shiningbank") announced today that it has entered into an agreement to acquire a significant package of long-life natural gas producing properties and undeveloped land in west-central Alberta for a total of \$47.7 million. The acquisition will add substantial gas-weighted production, reserves and cash flow in fourth quarter 2000.

Current production from the package of properties represents a 23 per cent increase over Shiningbank's second quarter 2000 average production volumes, adding approximately 1,750 barrels of oil equivalent per day (boe/d) calculated using 6 mcf/boe (1,150 boe/d using 10 mcf/boe). Natural gas volumes should increase 29 per cent to approximately 40 million cubic feet per day (mmcf/d). With the high percentage of natural gas production being acquired, Shiningbank's overall gas weighting will increase to 73 per cent (62% using 10 mcf/boe). Annual cash flow from the properties is estimated at \$11.6 million using a gas price of C\$4.65/mcf and an oil price of US \$26.00/bbl. Shiningbank's cash flow for second quarter 2000 was \$10.2 million.

The properties include a mix of operated and non-operated interests in the Dunvegan, Belloy, Anselmo, Barrhead and Penhold areas. Shiningbank already owns working interests in the Anselmo and Penhold properties and has adjacent operations at Barrhead. The acquisition includes \$2.9 million of undeveloped land (33,000 net acres) in west-central Alberta.

"This package of assets fits extremely well with our existing operations in west-central Alberta," said David Fitzpatrick, President and Chief Operating Officer. "There are numerous exploitation opportunities such as tie-ins and recompletions on the producing properties. We have also identified development and farm-out opportunities on the extensive undeveloped acreage."

Current daily production from the package of properties is approximately 9.0 mmcf of gas and 250 barrels of oil and NGL for total daily production of 1,750 boe (1,150 boe using 10 mcf/boe). All of the acquired gas production will be sold on the spot market bringing the spot component of Shiningbank's gas sales portfolio to approximately 45%. The long reserve life index (total proven = 10.5 years, proven plus probable = 15.1 years) and the relatively low operating cost of \$5.00/boe are also attractive features of the transaction.

The acquired properties have been independently evaluated by Paddock Lindstrom and Associates Ltd. who have assigned the following reserves:

TOTAL PROVEN					PROVEN PLUS PROBABLE				
Oil (mstb)	Gas (bcf)	NGL (mstb)	Oil Equiv. @ 6:1 (mstboe)	Oil Equiv. @ 10:1 (mstboe)	Oil (mstb)	Gas (bcf)	NGL (mstb)	Oil Equiv. @ 6:1 (mstboe)	Oil Equiv. @ 10:1 (mstboe)
62	33.3	1,000	6,611	4,392	83	49.1	1,335	9,597	6,325

Funding for the acquisition will come entirely from the Fund's credit facility. The forward-looking debt/cash flow ratio following this transaction is conservatively estimated at 1.3 using the same commodity prices stated above. The transaction is expected to close mid-October 2000 and is subject to a number of conditions, including rights of first refusal on certain lands in the package.

Shiningbank Energy Income Fund is a conventional oil and gas royalty trust that has provided investors with consistent returns since 1996 through distribution of a tax-effective quarterly income stream. Operationally, Shiningbank is a petroleum producer with the highest weighting of natural gas volumes among its peers. The Fund has a total of 16.7 million Trust Units outstanding and is listed on The Toronto Stock Exchange under the symbol "SHN.UN".

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