

October 31, 2000

SYMBOL: "SHN.UN" - TSE

**NEWS RELEASE
FOR IMMEDIATE RELEASE**

SHININGBANK ENERGY ANNOUNCES CLOSING OF PURCHASE OF LONG-LIFE NATURAL GAS ASSETS

Shiningbank Energy Income Fund ("Shiningbank") today announced the closing of the previously disclosed acquisition of long-life natural gas assets in west-central Alberta for a total of \$47.7 million. Approximately \$10.5 million of the acquired assets are the subject of a right of first refusal that is currently in dispute. These assets have been included in the purchase but will be segregated from Shiningbank's assets until the dispute is resolved.

The acquisition will add approximately 1,750 barrels of oil equivalent per day (boe/d) calculated using six thousand cubic feet (mcf) of natural gas per boe (1,150 boe/d at 10 mcf/boe) to Shiningbank's production. Of this total, approximately 150 boe/d (106 boe/d at 10mcf/boe) relates to the assets subject to the dispute. The cost of the established reserves (proven plus risked probable), after providing for the potential loss of the disputed assets, is \$*** per boe (\$*** at 10 mcf/boe).

These properties will enhance Shiningbank's position as the most heavily gas weighted of the Canadian conventional oil and gas royalty trusts, bringing total gas production to over 40,000 mcf/d and 73% of total production (62% using 10 mcf/boe). All of the acquired production will be sold in spot markets. The long reserve life index of the acquired properties will also enhance Shiningbank's reserve base. The acquisition has been funded entirely through Shiningbank's existing lines of credit.

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:

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