SHININGBANK
Energy Income Fund

February 28, 2001 **SYMBOL: SHN.UN – TSE**
Calgary, Alberta **IOI – TSE**

PRESS RELEASE
FOR IMMEDIATE RELEASE

SHININGBANK ENERGY INCOME FUND ANNOUNCES TAKE-OVER BID FOR IONIC ENERGY INC.

Shiningbank Energy Income Fund ("Shiningbank") and Ionic Energy Inc. ("Ionic") jointly announced today that they have entered into an acquisition agreement pursuant to which Shiningbank has agreed to acquire all of the issued and outstanding common shares of Ionic by way of a take-over bid. The consideration for each common share of Ionic is to be made up of, at the option of each Ionic shareholder, either 0.306 Trust Units of Shiningbank or cash of $5.10/share. The total cash consideration payable by Shiningbank will not exceed $45 million. The offer represents a 18% premium to Ionic shareholders based on the 30-day weighted average closing price of the Ionic shares. At $5.10 per Ionic share, the total consideration under the offer equates to approximately $185.7 million, based on the issued and outstanding common shares of Ionic, including the assumption of approximately $59.5 million in outstanding debt and working capital deficiency.

The boards of directors of each of Shiningbank and Ionic have unanimously approved the proposed transaction and the board of directors of Ionic has agreed to recommend that its shareholders accept the Shiningbank offer.

The offer is subject to a number of conditions, including acceptance of the offer by at least 66 2/3% of the shareholders of Ionic. Senior management, directors and officers of Ionic have agreed to enter into lock-up agreements with Shiningbank to deposit and not withdraw their shares under the offer, except in certain circumstances. The board of directors of Ionic has agreed that it will not solicit or initiate discussion or negotiations with any third party concerning any sale of any material assets of Ionic, or any business combination involving Ionic. Ionic has agreed to pay Shiningbank a non-completion fee of $6,500,000 in certain circumstances.

Shiningbank anticipates mailing the offer to all registered Ionic shareholders in mid-March, 2001. The offer will be open for acceptance for a minimum of 21 days after mailing. Closing is anticipated to occur in early April 2001 and, as such, Ionic shareholders receiving Shiningbank units will be eligible to receive Shiningbank's second quarter 2001 cash distribution. This distribution will be made on July 15, 2001 to unitholders of record on June 30, 2001.

Shiningbank has retained CIBC World Markets Inc. as financial advisor and soliciting dealer manager for the proposed transaction. Ionic has retained Peters & Co. Limited as financial advisor. As part of its advisory services, Peters & Co. has provided a fairness opinion to the board of directors of Ionic that the offer is fair, from a financial point of view, to the shareholders of Ionic.

"This transaction is beneficial to both the unitholders of Shiningbank and the shareholders of Ionic", said David Fitzpatrick, President and Chief Operating Officer of Shiningbank. "The excellent operational fit, accretiveness to Shiningbank distributions and added market capitalization will provide benefits to Shiningbank and Ionic investors in both the short term and longer term. This acquisition also enhances Shiningbank's natural gas weighting to over 75%, reinforcing its position as the royalty trust with the highest weighting to natural gas."

Mr. James Saunders, President and Chief Executive Officer of Ionic, went on to say that, "The merger of Ionic with Shiningbank is viewed very positively by the Ionic board of directors due to the excellent track record that Shiningbank has demonstrated. The substantial premium to Ionic's recent stock price and the opportunity to realize the benefits of strong gas prices directly through cash distributions from Shiningbank result in an excellent ongoing investment for Ionic shareholders."

Ionic's strategy of acquiring and developing long-life natural gas assets in west-central Alberta complements Shiningbank's operating strategy. Ionic operates approximately 90% of its production and anticipates 2001 operating costs to average $5.50/boe due to its significant ownership in facilities and infrastructure and recoveries of third party processing revenues. The acquisition increases Shiningbank's overall natural gas production weighting from 73% to 77%.

Ionic currently produces approximately 28 million cubic feet (mmcf) per day of natural gas and 1,200 barrels per day of oil and NGL. At December 31, 2000, independent reservoir engineers have assessed Ionic's total proven reserves at 69 billion cubic feet (bcf) of natural gas and 2.9 million barrels of oil and NGL. Subsequent to December 31, 2000, Ionic purchased a significant west-central Alberta gas-producing property at Whitecourt with proven reserves of 42 bcf of natural gas and 0.3 million barrels of NGL. In addition to the reserves, Ionic's 114,200 net acres of undeveloped land have been independently valued at $12.8 million.

Ionic's high-quality asset base has the following characteristics:

- High working interest, focused operations in west-central Alberta (70% of company value in top three properties).
- Greater than 70% of production and reserves are natural gas.
- Ninety percent of gas production is sold on the spot market.
- Development opportunities to add reserves include infill drilling, well reactivations, compression and well optimizations.

The transaction's acquisition parameters are:

	Gas converted to oil at	
	6 mcf =1 bbl	10 mcf =1 bbl
Estimated Ionic production (boe/d)	5,870	4,000
Ionic reserves - total proven (mboe)	21.7	14.2
- established (mboe)	26.3	17.3
Production acquisition cost ($/boe/d)	$31,635	$46,425
Proven reserves acquisition cost ($/boe)	$8.56	$13.08
Cash flow multiple at US$25/bbl oil and C$6.25/mcf gas	3.4	3.4
Recycle ratio (netback/acquisition cost)	2.8	2.8

Post transaction, Shiningbank's debt is expected to be approximately $125 million which would represent 1.1 times anticipated annual cash flow. Using price forecasts of C$6.25/mcf for gas and US$25/bbl. for oil, this transaction will be accretive to Shiningbank's 2001 distributable income.

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. The Fund's units are listed on The Toronto Stock Exchange under the symbol "SHN.UN".

A conference call outlining the details and benefits of the transaction will be held at 9:00 a.m. (Calgary time) on Thursday, March 1, 2001. To participate, call 1-800-478-9326; local Toronto or international callers, please call 416-695-5801.

A replay of the call will be available two hours after completion until 12 midnight (eastern time) on March 8, 2001 by calling 1-800-408-3053; local Toronto or international callers please call 416- 695-5800 (pass code 707594).

The information in this news release contains forward-looking statements with respect to Shiningbank. By their nature, these statements involve risks and uncertainties that could cause actual results to differ materially from those contemplated. These risks and uncertainties include commodity prices and the number of Ionic shareholders tendering shares to the offer.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction. The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirement.

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