

May 16, 2001  
TSE

SYMBOL: "SHN.UN" -

**NEWS RELEASE  
FOR IMMEDIATE RELEASE**

**SHININGBANK ENERGY ANNOUNCES STRONG  
FIRST QUARTER 2001 FINANCIAL RESULTS**

Shiningbank Energy Management Inc., manager of Shiningbank Energy Income Fund (the "Fund"), today announced its financial results for the three months ended March 31, 2001. Production volumes increased by 37% from first quarter 2000 to 9,299 barrels of oil equivalent per day (boe/d), where natural gas is converted to barrels of oil equivalent on the basis of 6 mcf per boe. Revenues increased by 206% to \$45.1 million from \$14.7 million in 2000 due to higher average commodity prices and volumes. Earnings totaled \$20.1 million (\$1.07 per Trust Unit) for the three months compared to \$3.5 million (\$0.29 per Trust Unit) in 2000. The Fund distributed \$1.10 per Trust Unit for the quarter representing a 26% annualized pre-tax cash-on-cash distribution rate on the 2001 opening price of Trust Units. The accompanying table provides additional highlights and important statistics from the first quarter.

The highlight of the first quarter was the successful bid for the shares of Ionic Energy Inc. On April 6, 2001, Shiningbank acquired 95% of the shares of Ionic and subsequently acquired the balance pursuant to the compulsory acquisition provisions of the Business Corporations Act (Alberta). Ionic was merged with Shiningbank Energy Ltd. on May 4, 2001. This transaction will add significant gas production and development opportunities to Shiningbank starting in the second quarter.

As a result of the growth in the first quarter, Shiningbank renegotiated its lines of credit and has replaced its \$90 million revolving demand credit facility with a \$165 million revolving credit facility with a syndicate of four Canadian chartered banks. Subsequent to the Ionic acquisition, debt will amount to approximately \$125 million, or 1.1 times first quarter annualized cash flow.

Shiningbank Energy provides its unitholders with a high-quality asset base, a strong financial position and experienced management. Its gas production is rich in natural gas liquids providing premium netbacks. Shiningbank's production is currently weighted 77% to 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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Financial (\$Thousands except per unit amounts)	Three months ended March 31,	
	2001	2000
Oil and natural gas sales	45,070	14,734
Net earnings (loss)	20,060	3,508
Distributable income	21,728	5,898
Per unit	1.10	0.50
Acquisition and development costs	5,198	2,898
Long term debt	9,212	34,806
Unitholders' equity	160,830	66,525
<b>Operations</b>		
Daily Production		
Oil (bbls/d)	1,321	1,491
Natural gas (mmcf/d)	41.5	27.3
Natural gas liquids(bbls/d)	1,065	767
Oil equivalent (boe/d @ 6 mcf/boe)	9,299	6,800
Oil equivalent (boe/d @ 10 mcf/boe)	6,534	4,983
Average Prices		
Oil (Cdn\$/bbl)	41.13	37.16
Natural gas (Cdn\$/mcf)	9.74	3.03
Natural gas liquids (Cdn\$/bbl)	39.41	31.36
Oil equivalent (Cdn\$/boe @ 6 mcf/boe)	53.86	23.81
Oil equivalent (Cdn\$/boe @ 10 mcf/boe)	76.65	32.49
<b>Unit Trading</b>		
Units traded (thousands)	1,938	729
Value traded (\$ thousands)	98,228	7,581
Unit price (\$)		
High	18.20	11.05
Low	16.05	9.90
Close	16.35	10.50
Units outstanding (thousands)	19,753	11,796