



August 15, 2001

SYMBOL: "SHN.UN" - TSE

**NEWS RELEASE
FOR IMMEDIATE RELEASE**

**SHININGBANK ENERGY ANNOUNCES RECORD
SECOND QUARTER 2001 FINANCIAL RESULTS**

Shiningbank Energy Management Inc., manager of Shiningbank Energy Income Fund (the "Fund"), today announced its financial results for the second quarter and six months ended June 30, 2001. Production volumes for the second quarter increased by 104% from first quarter 2000 to 15,294 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 182% to \$53.5 million from \$19.0 million in 2000 due to higher average commodity prices and volumes. Unit operating costs were slightly lower than second quarter 2000 at \$4.56 per boe compared to \$4.90 in 2000, and royalties were higher than 2000 at 22.0% of revenue compared to 18.4% in second quarter 2000. Earnings totalled a record \$20.4 million (\$0.83 per Trust Unit) for the three months compared to \$5.2 million (\$0.41 per Trust Unit) in 2000. Cash flow also reached record levels at \$31.0 million for the quarter, compared to \$10.2 million 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 second quarter.

The highlight of the second quarter was the closing of the 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 amalgamated with Shiningbank Energy Ltd. on May 4, 2001. This transaction added significant gas production and earnings to Shiningbank for the quarter.

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".

For further information please contact:

David M. Fitzpatrick, President and C.O.O. or
Bruce K. Gibson, Vice President, Finance and C.F.O.

Shiningbank Energy Management Inc.

Telephone: (403) 268-7477

Facsimile: (403) 268-7499

Toll Free: (866) 268-7477

Email: shiningbank@shiningbank.com

Website: www.shiningbank.com

Financial (\$Thousands except per unit amounts)	Three months		Six months	
	2001	2000	2001	2000
Oil and natural gas sales	\$ 53,472	\$ 18,962	\$ 98,542	\$ 33,698
Net earnings	20,431	5,215	40,491	8,724
Cash flow	30,995	10,197	57,154	17,581
Distributable income	27,410	8,274	49,138	14,172
Per unit	1.10	0.58	2.20	1.08
Acquisition and development costs	669	4,554	5,867	7,451
Long term debt	107,847	48,356	107,847	48,356
Unitholders' equity	232,540	88,475	232,540	88,475

Operations

Daily Production

Oil (bbls/d)	2,363	1,413	1,845	1,452
Natural gas (mmcf/d)	68.0	31.4	54.8	29.3
Natural gas liquids(bbls/d)	1,595	855	1,331	811
Oil equivalent (boe/d @ 6mcf/boe)	15,294	7,507	12,313	7,154
Oil equivalent (boe/d @ 10mcf/boe)	10,760	5,411	8,658	5,197

Average Prices

Oil (Cdn\$/bbl)	\$38.76	\$38.13	\$39.60	\$37.63
Natural gas (Cdn\$/mcf)	\$6.53	\$4.10	\$7.74	\$3.60
Natural gas liquids (Cdn\$/bbl)	\$32.00	\$30.06	\$34.95	\$30.68
Oil equivalent (boe/d @ 6mcf/boe)	\$38.42	\$27.76	\$44.22	\$25.88
Oil equivalent (boe/d @ 10mcf/boe)	\$54.61	\$38.51	\$62.88	\$35.63

Unit Trading

Units traded (thousands)	8,239	1,828	14,055	2,557
Value traded (\$ thousands)	142,767	21,487	240,995	29,069
Unit price				
High	18.70	13.30	18.70	13.30
Low	14.51	10.20	14.51	9.90
Close	15.00	12.65	15.00	12.65
Units outstanding (thousands)	24,918	14,265	24,918	14,265