

October 25, 2001

SYMBOL: "SHN.UN" - TSE

**NEWS RELEASE
FOR IMMEDIATE RELEASE**

SHININGBANK FILES PRELIMINARY PROSPECTUS

Shiningbank Energy Management Inc., manager of Shiningbank Energy Income Fund ("Shiningbank"), is pleased to announce that it has filed its preliminary prospectus in respect of the previously announced offering of 2,000,000 new Trust Units at a price of \$13.40 each. Shiningbank has granted the underwriters two options that, if exercised, would bring the total issue to 3,000,000 Trust Units. Gross proceeds of the issue range from \$26.8 million to a maximum of \$40.2 million if both underwriters' options are exercised.

When combined with the proceeds of a private placement of 1.2 million Trust Units completed on September 28, 2001 for gross proceeds of \$15.2 million, and assuming that only 2,000,000 Trust Units are issued in the current offering, Shiningbank will have 28,117,937 Trust Units outstanding. After these transactions debt will be approximately \$132 million (\$119 million if the underwriters' options are exercised).

Net proceeds from these financings will be used to continue with Shiningbank's business strategy of acquiring long-life natural gas reserves, exploit development opportunities and to reduce debt incurred on the acquisition of properties in the third quarter of 2001.

In other news, Shiningbank has entered into several hedging transactions to secure distributions over the coming months. Two new price collars are now in place. The first is on 500 barrels of oil per day (approximately 20% of production) for the first six months of 2002 with a floor of US\$20.00/bbl and a cap of US\$26.50/bbl. The other is on 10.0 million cubic feet ("mmcf") of natural gas per day (approximately 15% of production) for the period from November 1, 2001 to March 31, 2002 with a floor of C\$3.16/mcf and a cap of \$4.80/mcf. When added to previously existing hedges, a total of 500 barrels of oil per day (approximately 20% of production) and 16.0 mmcf per day of natural gas (approximately 25% of production) are hedged for first quarter 2002.

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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News Release - Shiningbank Energy Income Fund
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Page 2

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