



May 2, 2002

SYMBOL: "SHN.UN"-TSE

**NEWS RELEASE
FOR IMMEDIATE RELEASE**

**SHININGBANK ANNOUNCES PROPERTY ACQUISITION
AND EQUITY FINANCING**

Shiningbank Energy Income Fund ("Shiningbank") announced today that it has agreed to acquire a significant long-life, high quality natural gas producing property in the Minehead area of west-central Alberta at a cost of \$21.1 million. The property is located in close proximity to Shiningbank's core operating area near Edson, Alberta. The acquisition is expected to close in early June 2002.

In conjunction with the acquisition, Shiningbank has entered into an agreement to sell 3.5 million Trust Units at \$14.20 each to raise gross proceeds of \$49,700,000 on a bought deal basis. The underwriting syndicate, led by CIBC World Markets Inc., includes BMO Nesbitt Burns Inc., Scotia Capital Inc., TD Securities Inc., National Bank Financial Inc., FirstEnergy Capital Corp. and Raymond James Ltd. Shiningbank has granted the underwriters an option, exercisable in whole or in part prior to closing, to purchase up to an additional 525,000 trust units at the same offering price. Should this option be fully exercised, the total gross proceeds of the issue would be \$57,155,000. The issue will be offered in all provinces of Canada. Closing of the offering is expected to occur on May 22, 2002 and is subject to regulatory approvals.

Net proceeds from the financing will be used to fund the acquisition of the Minehead property and to continue with Shiningbank's business strategy of acquiring long-life natural gas reserves and exploiting development opportunities.

The Minehead property consists of an average 41% working interest in 16 producing natural gas wells, with current net production of approximately 2.2 million cubic feet of natural gas per day (mmcf/d) and 110 barrels of natural gas liquids (NGL) per day. Working interest established reserves (proven plus risked probable) as at December 31, 2001, have been estimated by Paddock Lindstrom & Associates Ltd. at 15.9 billion cubic feet of natural gas and 810,000 barrels of NGL. Based on current production rates, the property has an established reserve life index of 19 years. Annualized cash flow for 2002, based on a gas price of C\$4.11/mcf and oil at US\$23.00/bbl, is anticipated to be approximately \$2.9 million. The property is being acquired at a cost of \$6.21 per barrel of oil equivalent (gas converted to oil equivalent at a rate of 6 mcf per boe).

In connection with the acquisition, the Fund has hedged 2.0 mmcf/d of its natural gas production for the remainder of 2002 and up to October 31, 2003. For the period from June 1, 2002 through October 31, 2002, this production is hedged at a fixed price of \$5.03/mcf and for the period from November 1, 2002 through October 31, 2003, the production is subject to a costless price collar with a floor of \$4.22/mcf and a ceiling of \$8.70/mcf. These gas prices are higher than the estimates used in valuing the Minehead property.

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".

The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the U.S. Securities Act.

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