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SYMBOL: "SHN.UN" - TSX

**NEWS RELEASE  
FOR IMMEDIATE RELEASE**

**SHININGBANK ENERGY UPDATES ACQUISITION ACTIVITY**

Shiningbank Energy Income Fund ("Shiningbank") announced today that, over the last few months, it has entered into agreements to acquire additional long-life gas reserves in three areas complementary to existing operations – Whitecourt, McLeod and Caroline. The total cost of the three properties is \$21.3 million.

Current production from these west-central Alberta assets totals 820 barrels of oil equivalent per day (boe/d) calculated using 6 mcf/boe. The production split on the acquired properties is 81% natural gas (4.0 mmscf/d), 15 % natural gas liquids (124 b/d) and 4% oil (30 b/d). Annual cash flow from these assets is estimated at \$4.3 million using a gas price of C\$4.75/mcf and an oil price of US\$25.00/bbl. These acquisitions will have a positive effect on Shiningbank's fourth quarter 2002 operating results and distributable income.

All three areas continue to be active from a drilling, recompletion and tie-in standpoint. The assets being acquired include 24,000 net acres of undeveloped land valued at approximately \$2 million. Shiningbank has subsequently disposed of the Caroline undeveloped land for cash consideration of \$400,000. Shiningbank will farm out the additional lands with exploratory potential and evaluate drilling opportunities on the development acreage for 2003. Independent engineers have assigned the following reserves to the properties:

	<u>Total Proven</u>			<u>Proven Plus Probable</u>		
	<u>Oil</u> (mstb)	<u>Gas</u> (bcf)	<u>NGL</u> (mstb)	<u>Oil</u> (mstb)	<u>Gas</u> (bcf)	<u>NGL</u> (mstb)
McLeod	6	5.6	155	6	8.3	219
Whitecourt	29	2.8	43	29	4.6	82
Caroline	<u>70</u>	<u>1.9</u>	<u>91</u>	<u>174</u>	<u>3.0</u>	<u>142</u>
Total	105	10.3	289	209	15.9	443

Funding for the acquisitions has come entirely from the Fund's credit facility bringing total debt to approximately \$110 million. The forward-looking debt/cash flow ratio post acquisition is estimated at 1.3 using the same commodity prices stated above. The Caroline and McLeod transactions closed on August 23, 2002 and August 30, 2002 respectively and closing of the Whitecourt acquisition is anticipated on September 30, 2002 (subject to a number of conditions including rights of first refusal on certain lands).

Shiningbank Energy Income Fund is a conventional oil and gas royalty trust. The Fund has a total of 33.1 million Trust Units outstanding 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.E.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](mailto:shiningbank@shiningbank.com)

Website: [www.shiningbank.com](http://www.shiningbank.com)