



November 13, 2002

SYMBOL: "SHN.UN" - TSX

**NEWS RELEASE  
FOR IMMEDIATE RELEASE**

**SHININGBANK ENERGY ANNOUNCES  
THIRD QUARTER 2002 FINANCIAL RESULTS**

Shiningbank Energy Income Fund (the "Fund"), today announced its financial results for the nine months ended September 30, 2002. Production volumes for the first nine months increased by 11% from the first nine months of 2001. Production for the period was 14,373 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. For the third quarter, production volumes decreased by 2% from third quarter 2001 to 13,978 boe/d due mainly to sales of minor properties in the first half of the year. Revenues declined by 16% in the quarter to \$33.9 million from \$40.4 million in 2001 due to significantly lower natural gas prices. Earnings totaled \$5.1 million (\$0.15 per Trust Unit) for the three months compared to \$8.5 million (\$0.33 per Trust Unit) in 2001. The Fund distributed \$0.52 per Trust Unit for the quarter representing a 14% annualized pre-tax cash-on-cash distribution rate on the current price of Trust Units. The accompanying table provides additional highlights and important statistics from the third quarter.

<b>Financial</b> (\$ thousands, except per unit amounts)	Three months ended Sept 30		Nine months ended Sept 30	
	2002	2001	2002	2001
Oil and natural gas sales	\$ 33,918	\$ 40,377	\$ 100,545	\$ 138,919
Net earnings	5,061	8,519	15,104	49,010
Cash flow	16,404	18,687	50,582	75,841
Distributable income	17,234	18,282	49,690	67,420
Per unit	0.52	0.70	1.56	2.90
Acquisition and development costs	23,553	37,342	53,801	308,903
Long term debt	114,450	156,633	114,450	156,633
Unitholders' equity	281,269	237,787	281,269	237,787

**Operations**

Daily Production

Oil (bbl/d)	1,953	2,170	2,110	1,954
Natural gas (mmcf/d)	63.5	66.4	64.9	58.7
Natural gas liquids(bbl/d)	1,435	1,056	1,443	1,239
Oil equivalent (boe/d @ 6 mcf/boe)	13,978	14,300	14,373	12,983

Average Prices

Oil (Cdn\$/bbl)	\$40.49	\$37.64	\$35.52	\$38.87
Natural gas (Cdn\$/mcf)	\$3.91	\$4.85	\$3.98	\$6.62
Natural gas liquids (Cdn\$/bbl)	\$27.34	\$35.36	\$24.26	\$35.07
Oil equivalent (boe/d @ 6 mcf/boe)	\$26.37	\$30.69	\$25.62	\$39.20

## Management's Discussion and Analysis of Financial Results

The following discussion analyzes Shiningbank's operating and financial results and financial position for the three and nine-month periods ended September 30, 2002 and 2001. Management's discussion and analysis ("MD&A") should be read in conjunction with the unaudited interim consolidated financial statements for the nine months ended September 30, 2002 and the audited consolidated financial statements and MD&A for the year ended December 31, 2001. Unless otherwise noted, all tables reflect data for the third quarters of 2002 and 2001. Boe volumes are reported at 6:1 with 6 mcf = 1 boe.

### Production Volumes

For the first nine months of the year, daily production was 11% higher than 2001 as a result of the Ionic acquisition in April 2001, and the Greencourt acquisition in August 2001. Average daily production for the third quarter of 13,978 boe/d was down 2% from third quarter 2001, mainly due to sales of minor properties, which contributed approximately 250 boe/d to the quarterly decline.

### DAILY PRODUCTION VOLUMES

	Three months ended September 30,			Nine months ended September 30,		
	2002	2001	% change	2002	2001	% change
Oil (bbl/d)	1,953	2,170	(10)%	2,110	1,954	8%
Natural gas (mmcf/d)	63.5	66.4	(4)%	64.9	58.7	11%
NGL (bbl/d)	1,435	1,056	36%	1,443	1,239	16%
Oil equivalent (boe/d)	13,978	14,300	(2)%	14,373	12,983	11%

### Pricing – After Hedging

Since the start of 2002, West Texas Intermediate benchmark oil has mainly traded in the range of US\$25-30/bbl, with pricing movements influenced by uncertainties in the Middle East and inventory levels in the United States. Oil prices improved in the third quarter with the Fund realizing an average price of Cdn\$40.49/bbl, 8% higher than third quarter 2001 and 11% higher than second quarter 2002. Hedging reduced the realized price by \$0.16/bbl.

On the NYMEX, the average benchmark natural gas price for the third quarter was up 18% from the same period in 2001, but down 4% from second quarter 2002. However, Canadian benchmark prices were lower, falling approximately Cdn\$2.00/mcf below NYMEX prices in July. The differential was driven by pipeline outages in Canada, and supply concerns in the US during the Gulf Coast's hurricane season. Third quarter Canadian prices were 21% lower than 2001 and 14% below second quarter 2002. Shiningbank's average realized gas price for the quarter, including hedging, of Cdn\$3.91/mcf was down 19% from third quarter 2001 and down 9% from the second quarter 2002 price of Cdn\$4.32/mcf. Hedging added \$0.33/mcf to the realized price.

**AVERAGE PRICES - AFTER HEDGING**

	Three months ended September 30,			Nine months ended September 30,		
	2002	2001	% change	2002	2001	% change
Oil (Cdn\$/bbl)	<b>40.49</b>	37.64	8%	<b>35.52</b>	38.87	(9)%
Natural gas (Cdn\$/mcf)	<b>3.91</b>	4.85	(19)%	<b>3.98</b>	6.62	(40)%
NGL (Cdn\$/bbl)	<b>27.34</b>	35.36	(23)%	<b>24.26</b>	35.07	(31)%
Oil equivalent (Cdn\$/boe)	<b>26.37</b>	30.69	(14)%	<b>25.62</b>	39.20	(35)%
WTI (US\$/bbl)	<b>28.33</b>	26.48	(7)%	<b>25.50</b>	27.78	(8)%
NYMEX Natural Gas (US\$/mmbtu)	<b>3.28</b>	2.79	(18)%	<b>3.06</b>	4.48	(32)%

**Revenue**

Third quarter revenues were lower than 2001 due to lower natural gas prices and a 2% reduction in volumes. For the first nine months of the year, commodity price decreases more than offset volume increases, leading to an overall drop in revenues of \$41.7 million before hedging gains. Hedging added a total of \$2.0 million in the quarter (\$1.5 million – third quarter 2001) and \$3.8 million for the nine months (\$440,000 -- nine months 2001). The following table sets out the changes in revenue attributable to increases and decreases in production volumes and prices of oil and gas:

(000s)	Three months ended September 30,		Nine months ended September 30,	
	2002/2001		2002/2001	
Crude oil and NGL				
Volume increase	\$	552	\$	3,680
Price decrease		(587)		(6,221)
Net decrease		(35)		(2,541)
Natural gas				
Volume increase (decrease)		(1,218)		11,124
Price decrease		(5,710)		(50,239)
Net decrease	\$	(6,928)	\$	(39,115)

**Royalties**

Royalty expense consists of royalties paid to provincial governments, freehold landowners and overriding royalties paid to others. Royalty rates were lower for the nine months of 2002 relative to 2001 due mainly to the price-sensitive rate structure for Alberta Crown royalties. In 2001, substantially higher natural gas prices raised the average Crown royalty rate to 23.9%, but that effect has now diminished with lower prices. A further reduction to 17.3% for the nine-month 2002 royalty rate was due to certain one-time adjustments made to Crown royalty estimates in the fourth quarter of 2001. Without these adjustments, the average royalty rate would have been approximately 19.6% for the nine month period.

	Three months ended Sept 30,		Nine months ended Sept 30,	
	2002	2001	2002	2001
Total royalties, net (000s)	\$ 5,778	\$ 9,515	\$ 17,439	\$ 33,253
As % of revenue	17.0%	23.6%	17.3%	23.9%
Per boe	\$ 4.49	\$ 7.23	\$ 4.44	\$ 9.38

### Operating Costs

Operating costs for the third quarter rose by 5% over the same period last year and 8% on a boe basis due to higher operating costs associated with properties acquired during 2001 and generally higher field costs. Third quarter costs on a boe basis are generally higher than in other quarters as they include the majority of annual property taxes, plant turnarounds and workover costs.

	Three months ended Sept 30,		Nine months ended Sept 30,	
	2002	2001	2002	2001
Operating costs (000s)	\$ 8,924	\$ 8,485	\$ 23,610	\$ 18,982
As % of revenue	26.3%	21.0%	23.5%	13.7%
Per boe	\$ 6.94	\$ 6.45	\$ 6.02	\$ 5.36

### General and Administrative Costs

General and administrative costs (G&A) were 28% lower for the third quarter compared with 2001 and 2% lower for the first nine months. While internal expenses have risen due to increased activity from acquisitions, G&A costs have decreased due to higher recoveries from a greater number of operated properties along with a prior period overhead recovery of \$270,000. G&A declined for the three and nine month periods on both a per boe and per Trust Unit basis due to efficiencies resulting from improved economies of scale.

	Three months ended Sept 30,		Nine months ended Sept 30,	
	2002	2001	2002	2001
General and administrative costs (000s)	\$ 633	\$ 875	\$ 2,788	\$ 2,849
As % of revenue	1.9%	2.2%	2.8%	2.1%
Per boe	\$ 0.49	\$0.67	\$ 0.71	\$0.80
Per Trust Unit	\$ 0.02	\$ 0.04	\$ 0.09	\$ 0.13

### Management fees

Management fees were lower in 2002 due to lower operating income resulting from reduced commodity prices. Management fees were also lower when compared against three variables: as a percentage of revenue, on a per boe basis and on a per Trust Unit basis. Effective October 9, 2002, all management fees, acquisition fees and dividends to the Manager have been eliminated as a result of the restructuring of the Fund to internalize management.

	Three months ended Sept 30,		Nine months ended Sept 30,	
	2002	2001	2002	2001
Management fees (000s)	\$ 658	\$ 750	\$ 1,918	\$ 2,933
As % of revenue	1.9%	1.9%	1.9%	2.1%
as % of distributable income	3.8%	4.1%	3.9%	4.4%
Per boe	\$ 0.51	\$ 0.57	\$ 0.49	\$ 0.83
Per Trust Unit	\$ 0.02	\$ 0.03	\$ 0.06	\$ 0.13

### Interest

Interest expense was 36% lower in third quarter 2002 than in 2001 and 10% lower for the nine month period due to lower average debt levels and lower interest rates.

	Three months ended Sept 30,		Nine months ended Sept 30,	
	2002	2001	2002	2001
Interest (000s)	\$ 1,263	\$ 1,969	\$ 3,779	\$ 4,180
As % of revenue	3.7%	4.9%	3.8%	3.0%
Per boe	\$ 0.98	\$ 1.50	\$ 0.96	\$ 1.18
Per Trust Unit	\$ 0.04	\$ 0.08	\$ 0.12	\$ 0.18

### Depreciation, depletion and amortization

Depreciation, depletion and amortization rose by 21% for third quarter 2002 compared with 2001. For the year to date, the 47% increase resulted from higher production volumes and higher rates per boe. Per boe costs rose mainly as a result of higher-priced acquisitions over the past two years commensurate with the higher commodity prices during these years.

	Three months ended Sept 30,		Nine months ended Sept 30,	
	2002	2001	2002	2001
Depreciation and depletion (000s)	\$ 14,565	\$ 12,048	\$ 44,800	\$ 30,543
As % of revenue	42.9%	29.8%	44.6%	22.0%
Per boe	\$ 11.33	\$ 9.16	\$ 11.42	\$ 8.62

### Net earnings

Shiningbank recorded net earnings of \$5.1 million (\$0.15 per Trust Unit) in the third quarter compared with \$8.5 million (\$0.33 per Trust Unit) in third quarter 2001. For the nine months of 2002, net earnings were \$15.1 million (\$0.47 per Trust Unit) compared with \$49.0 million (\$2.13 per Trust Unit) for the same period 2001. Significantly lower commodity prices were the main reason for lower net earnings in 2002.

### **Distributable Income**

Distributable income for the third quarter was \$17.2 million compared with \$18.3 million in the same period last year due to lower operating income resulting primarily from substantially lower commodity prices. For the first three quarters of the year, distributions were \$49.7 million compared with \$67.4 million last year. On a per Trust Unit basis, third quarter distributions decreased to \$0.52 from \$0.70 in 2001. Compared with second quarter 2002, distributable income per unit decreased 4% due to lower production and natural gas prices.

### **Costs of acquisitions and development**

In the first nine months, Shiningbank acquired a total of \$47.0 million in new properties. The Fund's most significant purchases were: the \$21.1 million acquisition of natural gas producing properties in the Minehead area of west-central Alberta, close to other properties operated by the Fund; and three complementary acquisitions at Whitecourt, McLeod and Caroline which totaled \$21.3 million. The Fund disposed of non-core properties in 17 transactions, which generated proceeds of \$8.2 million. Costs of drilling and new facilities in third quarter 2002 totaled \$2.4 million, compared with \$2.9 million in 2001. During the first three quarters of 2002 these costs totaled \$6.8 million, essentially the same as in 2001.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **Long term debt**

Shiningbank maintains a line of credit with a syndicate of four Canadian chartered banks which amounted to \$165 million at September 30, 2002, of which \$114.5 million was drawn. In accordance with the original terms of the credit facility, the borrowing base was reduced to \$170 million from \$180 million on February 28, 2002. This facility was amended to extend the revolving period to February 27, 2003, after which it will revert to a three-year term. The borrowing base is reduced by \$5 million on each of July 1, 2002, October 1, 2002 and January 1, 2003.

### **Unitholders' Equity**

In May 2002, the Fund issued 4,025,000 new Trust Units at \$14.20 each for gross proceeds of \$57.2 million. As of November 13, 2002, the Fund had 33,142,937 Trust Units and 1,136,614 exchangeable shares outstanding.

## Consolidated Balance Sheets

	September 30, 2002	December 31, 2001
	(unaudited)	(audited)
<b>Assets</b>		
Current assets		
Accounts receivable	\$ 20,594	\$ 24,142
Prepaid expenses	3,025	3,430
	23,619	27,572
Fixed assets		
Petroleum and natural gas properties and equipment	625,175	579,530
Accumulated depletion and depreciation	(150,487)	(105,867)
	474,688	473,663
Other assets	2,281	1,830
	\$ 500,588	\$ 503,065

## Liabilities and Unitholders' Equity

Current liabilities		
Accounts payable	\$ 13,943	\$ 20,352
Trust unit distribution payable	17,234	14,559
	31,177	34,911
Long term debt (note 3)	114,450	122,459
Future income taxes	66,000	77,500
Provision for future site restoration	7,692	5,870
Unitholders' Equity		
Trust Units (note 4)	391,278	337,246
Accumulated income	109,389	94,787
Accumulated royalty distributions	(219,398)	(169,708)
	281,269	262,325
	\$ 500,588	\$ 503,065

## Consolidated Statements of Earnings and Unitholders' Equity

(unaudited)

(\$ thousands, except per Trust Unit amounts)

	Three months ended Sept 30,		Nine months ended Sept 30,	
	2002	2001	2002	2001
<b>Revenues</b>				
Oil and natural gas sales	\$ 33,918	\$ 40,377	\$ 100,545	\$ 138,919
Royalties	(5,778)	(9,515)	(17,439)	(33,253)
	28,140	30,862	83,106	105,666
<b>Expenses</b>				
Operating	8,924	8,485	23,610	18,982
General and administrative	633	875	2,788	2,849
Management fees	658	750	1,918	2,933
Interest on long term debt	1,263	1,969	3,779	4,180
Depreciation, depletion and amortization	14,565	12,048	44,800	30,543
Provision for future site restoration	678	620	2,178	1,588
Capital and large corporation taxes	258	96	429	881
	26,979	24,843	79,502	61,956
Earnings before income taxes	1,161	6,019	3,604	43,710
Future income taxes (recovery)	(3,900)	(2,500)	(11,500)	(5,300)
Net earnings	5,061	8,519	15,104	49,010
<b>Unitholders' equity, beginning of period</b>				
Unitholders' equity, beginning of period	293,613	232,540	262,325	118,231
Issue of Trust Units	3	15,186	54,032	138,638
Royalty distributions	(17,234)	(18,282)	(49,690)	(67,420)
Dividends to manager	(174)	(176)	(502)	(672)
Unitholders' equity, end of period	\$ 281,269	\$ 237,787	\$ 281,269	\$ 237,787
<b>Net earnings per Trust Unit</b>				
Basic	\$ 0.15	\$ 0.33	\$ 0.47	\$ 2.13
Diluted	\$ 0.15	\$ 0.33	\$ 0.47	\$ 2.13

## Consolidated Statements of Cash Flows

(unaudited)

(\$ thousands)

	Three months ended Sept 30,		Nine months ended Sept 30,	
	2002	2001	2002	2001
<b>Operating activities</b>				
Net earnings	\$ 5,061	\$ 8,519	\$ 15,104	\$ 49,010
Depreciation, depletion and amortization	14,565	12,048	44,800	30,543
Provision for future removal and site restoration	678	620	2,178	1,588
Future income taxes (recovery)	(3,900)	(2,500)	(11,500)	(5,300)
Cash flows from operating activities	16,404	18,687	50,582	75,841
Changes in non-cash working capital	(1,951)	(4,409)	(2,457)	(16,511)
	14,453	14,278	48,125	59,330
<b>Financing activities</b>				
Increase (decrease) in long term debt	26,691	48,786	(8,008)	52,252
Financing costs	-	(139)	-	(824)
Distributions to unitholders	(17,234)	(18,282)	(49,690)	(67,420)
Issue of Trust Units	3	15,186	54,032	61,004
Dividends paid	(174)	(176)	(502)	(672)
	9,286	45,375	(4,168)	44,340
Changes in non-cash working capital	(663)	(9,127)	2,675	1,454
	8,623	36,248	(1,493)	45,794
<b>Total cash provided</b>	<b>\$ 23,076</b>	<b>\$ 50,526</b>	<b>\$ 46,632</b>	<b>\$ 105,124</b>
<b>Cash flows from investing activities</b>				
Property acquisitions	(21,106)	(34,489)	(46,961)	(36,452)
Capital expenditures	(2,447)	(2,853)	(6,840)	(6,757)
Long term investments	-	-	(630)	-
Acquisition of business	-	-	-	(49,300)
Proceeds on sale of fixed assets	661	-	8,156	750
Site restoration costs	(184)	(182)	(357)	(363)
<b>Total cash used</b>	<b>\$ (23,076)</b>	<b>\$ (37,524)</b>	<b>\$ (46,632)</b>	<b>\$ (92,122)</b>
<b>Net decrease in cash</b>	<b>\$ -</b>	<b>\$ 13,002</b>	<b>\$ -</b>	<b>\$ 13,002</b>
Cash taxes paid	\$ 564	\$ 2	\$ 967	\$ 717
Cash interest paid	\$ 893	\$ 2,023	\$ 3,329	\$ 4,269

## Selected notes to Interim Consolidated Financial Statements

For the nine months ended September 30, 2002 and 2001

### 1. SCHEDULE OF NET PRODUCTION REVENUE AND DISTRIBUTABLE INCOME

(unaudited)(\$ thousands, except per Trust Unit amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2002	2001	2002	2001
<b>Revenues</b>				
Oil and natural gas sales	\$ 33,918	\$ 40,377	\$ 100,545	\$ 138,919
Non-crown royalties	(1,106)	(2,257)	(3,391)	(5,364)
	32,812	38,120	97,154	133,555
<b>Expenditures</b>				
Operating	8,924	8,485	23,610	18,982
Capital expenditures	2,457	2,990	6,840	7,658
Site restoration costs	184	182	357	363
	11,565	11,657	30,807	27,003
Net production revenue	21,247	26,463	66,347	106,552
<b>Deductions</b>				
Administration	633	875	2,788	2,849
Management fees	658	750	1,918	2,933
Interest on long term debt	1,263	1,969	3,779	4,180
Capital and large corporations taxes	258	96	429	881
Amounts not attributable to the royalty	1,269	1,837	3,470	4,442
Working capital adjustments	(3,632)	(2,936)	(6,772)	(238)
	449	2,591	5,612	15,047
Net production revenue in excess of deductions	\$ 20,798	\$ 23,872	\$ 60,735	\$ 91,505
Royalty income to the Fund - 99%	\$ 20,589	\$ 23,630	\$ 60,127	\$ 90,588
Crown charges net of Alberta Royalty Credit - 99%	(4,624)	(7,185)	(13,907)	(27,610)
Principal repayment and interest income to the Fund	1,269	1,837	3,470	4,442
Distributable income	\$ 17,234	\$ 18,282	\$ 49,690	\$ 67,420
Distributable income per Trust Unit	\$ 0.52	\$ 0.70	\$ 1.56	\$ 2.90
Trust Units outstanding	33,142,937	26,117,937	33,142,937	26,117,937

## 2. Significant Accounting Policies

The interim consolidated financial statements of Shiningbank Energy Income Fund ("Shiningbank") have been prepared by management in accordance with Canadian generally accepted accounting principles. The interim consolidated financial statements have been prepared following the same accounting principles and methods of computation as the consolidated financial statements for the fiscal year ended December 31, 2001 except as noted below. The disclosures provided below are incremental to those included with the annual consolidated financial statements. The interim consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto in Shiningbank's annual report for the year ended December 31, 2001.

Effective for fiscal years beginning on or after January 1, 2002, the Fund adopted the recommendations of the CICA on accounting for stock-based compensation which apply to new rights issued after January 1, 2002. The Fund has elected to continue to account for stock-based compensation arrangements upon settlement. The exercise price of the rights granted under the Fund's rights plan may be reduced in future periods in accordance with the terms of the rights plan. The amount of the reduction cannot be reasonably estimated as it depends upon a number of factors including, but not limited to, future prices received on the sale of oil and natural gas, future production of oil and natural gas, determination of amounts to be withheld from future distributions to fund capital expenditures and the purchase and sale of property, plant and equipment. Therefore, it is not possible to determine a fair value for the rights granted under the plan.

## 3. Long term debt

The Corporation has a \$165 million revolving credit facility with a syndicate of four Canadian chartered banks of which \$114.5 million was drawn at September 30, 2002. The facility has a 364 day extendable revolving period from February 28, 2002 and a three year term. The borrowing base reduces by \$5 million on each of October 1, 2002 and January 1, 2003. The facility is secured by a \$300 million floating charge debenture on all assets of the Corporation. Borrowings under the facility bear interest at the bank's prime rate or, at Shiningbank's option, the bankers' acceptance rate plus a stamping fee.

## 4. Unitholders' Equity

- (a) Trust units authorized  
300,000,000 Trust Units

	September 30, 2002	
	Number	Amount
Balance, beginning of period	29,117,937	\$ 337,246
Issued for cash	4,025,000	57,155
Commissions and issue costs	-	(3,123)
Balance, end of period	33,142,937	\$ 391,278

(c) Units Rights Incentive Plan

At September 30, 2002, there were 1,110,000 rights outstanding, of which 208,333 were exercisable.

	Number	Average Price
Balance, beginning of period	625,000	\$ 16.92
Granted	485,000	\$ 13.97
Balance before reduction of exercise price	1,110,000	\$ 15.63
Reduction of exercise price		\$ (0.46)
Balance, end of period	1,110,000	\$ 15.17

(d) Net earnings per Trust Unit

Net earnings per Trust Unit have been calculated using the weighted average number of Trust Units outstanding during the period of 31,064,091 (2001 – 22,655,564) and 33,142,937 (2001 – 24,957,067) for the three months ended September 30, 2002.

## 5. Financial Instruments

At September 30, 2002, Shiningbank held certain oil and natural gas hedge contracts, the terms of which are listed in the following table. The estimated market value at September 30, 2002, had the contracts been settled at that time, would have been a loss of \$230,000.

Period	Commodity	Volume	Price
November 1, 2001 - October 31, 2002	Gas	3.0 mmcf/d	\$5.27/mcf floor
			\$9.11/mcf ceiling
November 1, 2001 - October 31, 2002	Gas	3.0 mmcf/d	\$6.68/mcf
April 1, 2002 – October 31, 2002	Gas	10.0 mmcf/d	\$3.16/mcf floor
			\$3.87/mcf ceiling
April 1, 2002 – October 31, 2002	Gas	5.0 mmcf/d	\$3.69/mcf floor
			\$5.64/mcf ceiling
June 1, 2002 - October 31, 2002	Gas	2.0 mmcf/d	\$5.03/mcf
November 1, 2002 - October 31, 2003	Gas	2.0 mmcf/d	\$4.22/mcf floor
			\$8.70/mcf ceiling
November 1, 2002 - March 31, 2003	Gas	5.0 mmcf/d	\$4.22/mcf floor
			\$7.69/mcf ceiling
July 1, 2002 – December 31, 2002	Oil	500 bbl/d	US\$ 24.00/bbl floor
			US\$ 28.50/bbl ceiling

Subsequent to September 30, 2002, the Fund entered into the following oil and natural gas hedging contracts:

<u>Period</u>	<u>Commodity</u>	<u>Volume</u>	<u>Price</u>
November 1, 2002 - March 31, 2003	Gas	5.0 mmcf/d	\$4.74/mcf floor \$7.52/mcf ceiling
April 1, 2003 – October 31, 2003	Gas	5.0 mmcf/d	\$5.38/mcf
January 1, 2003 – December 31, 2003	Oil	500 bbl/d	US\$ 24.00/bbl floor US\$ 27.62/bbl ceiling

Subsequent to September 30, 2002, the Fund entered into an interest rate swap for \$10.0 million at an interest rate of 3.479% for two years commencing October 30, 2002.

## **6. Subsequent Events**

On October 9, 2002, the Fund purchased all of the outstanding shares of Shiningbank Energy Management Inc. for an aggregate cost of \$19.4 million. The net consideration consisted of \$2.91 million cash and 1,136,614 exchangeable shares valued at \$16.49 million.

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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