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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 it has entered into agreements to acquire additional long-life gas reserves in three areas complementary to existing operations – Whitecourt, Modeste Creek and Long Coulee. The total cost of the three properties is \$16.7 million and production from the properties will be included in Shiningbank's income commencing in January 2003.

Current production from these Alberta assets totals 815 barrels of oil equivalent per day (boe/d) calculated using 6 mcf/boe. The production split on the acquired properties is 74% natural gas (3.6 mmscf/d), 11% natural gas liquids (95 b/d) and 15% oil (120 b/d). Cash flow from these assets in 2002 totaled an estimated \$5.0 million. These acquisitions will have a positive effect on Shiningbank's first quarter 2003 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 17,500 net acres of undeveloped land. 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>	<u>Gas</u>	<u>NGL</u>	<u>Oil</u>	<u>Gas</u>	<u>NGL</u>
	(mstb)	(bcf)	(mstb)	(mstb)	(bcf)	(mstb)
Whitecourt	58	3.3	53	59	6.1	107
Modeste Ck.	16	4.2	145	16	4.8	170
Long Coulee	<u>226</u>	<u>1.0</u>	<u>9</u>	<u>315</u>	<u>1.2</u>	<u>11</u>
Total	300	8.5	207	390	12.1	288

Funding for the acquisitions has come entirely from the Fund's credit facility bringing total debt to approximately \$133 million.

Shiningbank Energy Income Fund is a conventional oil and gas royalty trust. The Fund has a total of 33.2 million Trust Units outstanding and its units are listed on The Toronto Stock Exchange under the symbol "SHN.UN".

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