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SYMBOL: "SHN.UN" - TSE

**NEWS RELEASE
FOR IMMEDIATE RELEASE**

SHININGBANK ENERGY ANNOUNCES STRATEGIC GAS PROPERTY ACQUISITION

Shiningbank Energy Income Fund (the "Fund"), today announced that it has entered into an acquisition agreement pursuant to which the Fund will acquire a significant package of high-quality natural gas producing properties and undeveloped land in west-central Alberta for approximately \$133.3 million. The effective date of the acquisition is January 1, 2003 and the transaction is expected to close on or about March 28, 2003. Completion of the transaction is subject to certain regulatory and other conditions, including rights of first refusal on approximately 10% of the lands.

The properties include a mix of operated and non-operated interests in the Ferrier and O'Chiese areas of west-central Alberta, adjacent to Shiningbank's existing operations in the Ferrier area. Average 2003 production from the assets is expected to be approximately 3,300 barrels of oil equivalent per day (boe/d) consisting of 14.5 million cubic feet (mmcf) per day of natural gas and 880 barrels per day of oil and natural gas liquids (NGL). The properties are characterized by long-life, liquids-rich gas production combined with low operating costs. The natural gas production, which constitutes 73% of total production, is primarily uncontracted. Annual cash flow from the acquired properties is estimated at \$27.0 million using a gas price of C\$5.50/mcf and an oil price of US\$24.00/bbl. The acquisition also includes 25,000 net acres of highly prospective undeveloped land valued at \$2.7 million.

Paddock Lindstrom & Associates Ltd. were retained by Shiningbank to evaluate the acquired properties. They have assigned the reserves shown in the following table. Proven reserves represent approximately 80% of the total established reserves.

| Reserve volumes | Natural gas (Bcf) | NGL (Mbbbls) | Crude Oil (Mbbbls) | Equivalent (Mboe) |
|------------------------|----------------------|-----------------|-----------------------|----------------------|
| Total Proved | 39.6 | 2,426 | 81 | 9,100 |
| Proved plus Probable | 59.5 | 3,675 | 127 | 13,725 |
| Established | 49.6 | 3,050 | 104 | 11,413 |

Natural gas converted to oil equivalent on the basis of 6 mcf = 1 boe

Financial and Operating Parameters

In order to take advantage of the current strength in natural gas markets, Shiningbank has entered into swap contracts that fix the price on 13 mmcf per day of natural gas production for the balance of 2003 at a price of \$7.75 per mcf and on 11 mmcf per day of natural gas for calendar 2004 at a price of \$6.44 per mcf.

Funding for the acquisition will come from the Fund's credit facility. Subsequent to the transaction, the Fund's debt to cash flow ratio is estimated to be 2.0 to 1 based on commodity prices of C\$5.50/mcf of natural gas and US\$24.00/bbl of oil.

This acquisition continues Shiningbank's strategy of acquiring high-quality gas producing properties within its major producing areas. The acquisition is expected to be accretive to distributions and will further enhance Shiningbank's natural gas concentration, already one of the highest in the royalty trust sector.

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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