November 13, 2003 **SYMBOL: "SHN.UN" - TSX**

NEWS RELEASE
FOR IMMEDIATE RELEASE

SHININGBANK ENERGY ANNOUNCES THIRD QUARTER 2003 FINANCIAL RESULTS

Shiningbank Energy Income Fund (the "Fund"), today announced its financial results for the three months ended September 30, 2003. Production for the period was 17,848 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. Production volumes for the third quarter increased by 28% from 2002, and revenues increased by 82% in the three month period to $61.7 million from $33.9 million in 2002 due to a combination of higher commodity prices and higher volumes. Earnings tripled to $15.8 million or $0.36 per Trust Unit ($0.35 diluted) for the quarter compared to $5.1 million or $0.15 per Trust Unit ($0.15 diluted) in 2002. The Fund distributed $0.69 per Trust Unit in the quarter and $2.16 per Trust Unit for the nine months representing a 17% annualized pre-tax cash-on-cash distribution rate on the period closing price of Trust Units. The accompanying table provides additional highlights and important statistics.

($thousands except per unit amounts)	Three months ended September 30,			Nine months ended September 30,		
Financial	2003	2002	%	2003	2002	%
Oil and natural gas sales	$ 61,690	$ 33,918	82 %	$ 184,976	$ 100,545	84 %
Net earnings	15,796	5,061	212 %	59,429	15,104	293 %
Cash flow before change in non-cash working capital	35,057	16,404	114 %	105,956	50,582	109 %
Distributable income	30,442	17,234	77 %	91,658	49,690	84 %
Distributions per Trust Unit	0.69	0.52	33 %	2.16	1.56	38 %
Acquisition & development costs	9,505	23,553	(60)%	173,092	53,801	222 %
Long term debt	112,493	114,450	(2)%	112,493	114,450	(2)%
Unitholders' equity	389,275	281,269	38 %	389,275	281,269	38 %
Operations						
Daily Production						
Oil (bbl/d)	2,060	1,953	5 %	2,024	2,110	(4)%
Natural gas (mmcf/d)	79.4	63.5	25 %	74.3	64.9	14 %
Natural gas liquids(bbl/d)	2,561	1,435	78 %	2,159	1,443	50 %
Oil equivalent (boe/d)	17,848	13,978	28 %	16,573	14,373	15 %
Average Prices						
Oil ($/bbl)	$36.65	$40.49	(9)%	$39.41	$35.52	11 %
Natural gas ($/mcf)	$6.48	$3.91	66 %	$7.05	$3.98	77 %
Natural gas liquids ($/bbl)	$31.61	$27.34	16 %	$33.94	$24.26	40 %
Oil equivalent ($/boe)	$37.57	$26.37	42 %	$40.88	$25.62	60 %
Unit Trading						
Units traded (thousands)	8,227	6,074	35 %	28,188	19,254	46 %
Value traded ($ thousands)	140,777	88,302	59 %	459,143	275,031	67 %
Unit price						
High	$17.75	$15.48		$17.80	$15.49	
Low	$16.54	$10.00		$14.80	$10.00	
Close	$16.98	$15.10		$16.98	$15.10	

Management's Discussion and Analysis

Boe volumes are reported at 6:1 with 6 mcf = 1 bbl.

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, 2003 and the audited consolidated financial statements and MD&A for the year ended December 31, 2002.

RESULTS OF OPERATIONS

PRODUCTION VOLUMES

Daily Production Volumes

	Three months ended September 30,			Nine months ended September 30,		
	2003	2002	%	**2003**	2002	%
Oil (bbl/d)	**2,060**	1,953	5%	**2,024**	2,110	(4)%
Natural gas (mmcf/d)	**79.4**	63.5	25%	**74.3**	64.9	14%
NGL (bbl/d)	**2,561**	1,435	78%	**2,159**	1,443	50%
Oil equivalent (boe/d)	**17,848**	13,978	28%	**16,573**	14,373	15%
Natural gas % of total production	**74%**	76%		**75%**	75%	

During the nine-month period, daily production volumes averaged 16,573 boe/d, 15% higher than in 2002. Daily production for the third quarter averaged 17,848 boe/d, up 28% from the same period last year. These increases were primarily from the Ferrier/O'Chiese properties acquired at the end of the first quarter, offset in part by natural declines of producing properties that are estimated to average 13% per year.

PRICING – AFTER HEDGING

Average Prices

	Three months ended September 30,			Nine months ended September 30,		
Average Prices	**2003**	2002	%	**2003**	2002	%
Oil ($/bbl)	**$36.65**	$40.49	(9)%	**$39.41**	$35.52	11%
Natural gas ($/mcf)	**$6.48**	$3.91	66%	**$7.05**	$3.98	77%
NGL ($/bbl)	**$31.61**	$27.34	16%	**$33.94**	$24.26	40%
Oil equivalent ($/boe)	**$37.57**	$26.37	42%	**$40.88**	$25.62	60%
WTI (US$/bbl)	**$30.20**	$28.33	7%	**$30.99**	$25.50	22%
AECO natural gas ($/mcf)	**$6.29**	$3.25	94%	**$7.07**	$3.67	93%

Shiningbank's realized natural gas prices averaged $6.48/mcf for the quarter; $7.05/mcf year to date. These results were 66% and 77% higher than the same periods last year. Hedging increased realized prices by $0.18/mcf for the quarter, and $0.02/mcf year to date. This compares to gains in 2002 of $0.33/mcf for the quarter and $0.22/mcf for the nine-month period. Benchmark prices in Alberta (AECO) increased 94% for the quarter and 93% year to date over 2002.

Oil prices averaged $36.65/bbl for the quarter, 9% lower than third quarter 2002. Oil prices for the nine months averaged $39.41/bbl, up 11% from 2002. Hedging decreased the realized price by $1.11/bbl for the quarter and $1.27/ bbl year to date, compared with 2002 hedging losses of $0.16/bbl for the quarter and $0.05/bbl year to date.

REVENUES

	Three months ended September 30,				Nine months ended September 30,			
(000s)	**2003**	**% of Revenue**	2002	% of Revenue	**2003**	**% of Revenue**	2002	% of Revenue
Oil sales	**$7,157**	**11%**	$7,305	21%	**$22,480**	**12%**	$20,491	20%
Natural gas sales	**46,032**	**75%**	20,951	62%	**142,581**	**77%**	66,655	66%
NGL sales	**7,449**	**12%**	3,611	11%	**20,003**	**11%**	9,562	10%
Hedging	**1,045**	**2%**	2,046	6%	**(123)**	-	3,807	4%
Other	**7**	-	5	-	**35**	-	30	-
	$61,690	**100%**	$33,918	100%	**$184,976**	**100%**	$100,545	100%

Sales Variance Analysis – Before Hedging

(000s)	Three months ended September 30, **2003/2002**	Nine months ended September 30, **2003/2002**
Crude oil and NGL		
Volume increase	**$3,232**	**$3,907**
Price increase	**458**	**$8,523**
Increase	**$3,690**	**$12,430**
Natural gas		
Volume increase	**$5,216**	**$9,674**
Price increase	**19,865**	**$66,252**
Increase	**$25,081**	**$75,926**

In both the third quarter, and the nine-month period, higher revenue was the result of both higher prices and volumes.

ROYALTIES

	Three months ended September 30,			Nine months ended September 30,		
	2003	2002	%	**2003**	2002	%
Total royalties, net (000s)	**$13,010**	$5,778	125%	**$40,834**	$17,439	134%
As % of revenue	**21.1%**	17.0%	24%	**22.1%**	17.3%	28%
Per boe	**$7.92**	$4.49	76%	**$9.03**	$4.44	103%

Royalty expense consists of royalties paid to provincial governments, freehold landowners and overriding royalty owners. The royalty rate was higher in 2003 mainly due to higher commodity prices under the price-sensitive rate structure for Alberta Crown natural gas royalties and a one-time adjustment to Crown royalties in the first quarter of 2002. Without the adjustment, the average royalty rate for the nine months of 2002 would have been 19.6%.

OPERATING COSTS

	Three months ended September 30,			Nine months ended September 30,		
	2003	2002	%	**2003**	2002	%
Operating costs (000s)	**$11,129**	$8,924	25%	**$29,478**	$23,610	25%
Per boe	**$6.78**	$6.94	(2)%	**$6.52**	$6.02	8%

Operating costs decreased 2% on a boe basis over third quarter 2002, but were up 8% per boe year to date. The increases were due to higher operating costs associated with properties acquired in 2002, general increases in field service costs which are continuing to see upward pressure from a high level of industry activity, and rising fuel and electricity costs in 2003.

GENERAL AND ADMINISTRATIVE COSTS

	Three months ended September 30,			Nine months ended September 30,		
	2003	2002	%	**2003**	2002	%
General and administrative costs (000s)	**$935**	$633	48%	**$3,217**	$2,788	15%
Per boe	**$0.57**	$0.49	16%	**$0.71**	$0.71	-
Per Trust Unit	**$0.02**	$0.02	-	**$0.07**	$0.09	(22)%

General and administrative costs for the nine months increased 15% over the same period in 2002, due to increased activity from acquisitions, general cost increases and incremental investor relations costs. Third quarter 2002 costs were reduced by $270,000 for a one-time overhead recovery adjustment. After removing the effect of this adjustment, 2003 costs declined on both a per boe and per Trust Unit basis due to efficiencies resulting from economies of scale.

MANAGEMENT FEES

	Three months ended September 30,			Nine months ended September 30,		
	2003	2002	%	**2003**	2002	%
Management fees (000s)	-	$658	-	-	$1,918	-
Per boe	-	$0.51	-	-	$0.49	-
Per Trust Unit	-	$0.02	-	-	$0.06	-

All management and acquisition fees were eliminated after October 9, 2002 as a result of a transaction that internalized the Fund's management.

INTEREST

	Three months ended September 30,			Nine months ended September 30,		
	2003	2002	%	**2003**	2002	%
Interest (000s)	**$1,425**	$1,263	13%	**$5,010**	$3,779	33%
Per boe	**$0.87**	$0.98	(11)%	**$1.11**	$0.96	16%
Per Trust Unit	**$0.03**	$0.04	(25)%	**$0.11**	$0.12	(8)%

Interest expense, which includes bank charges, for the third quarter increased 13% over the same period in 2002, and 33% year to date. The increases were due to higher debt levels following the Ferrier/O'Chiese acquisition, higher annual renewal fees for the bank line of credit and higher interest rates.

DEPRECIATION, DEPLETION AND AMORTIZATION

	Three months ended September 30,			Nine months ended September 30,		
	2003	2002	%	**2003**	2002	%
Depreciation, depletion and amortization (000s)	**$19,260**	$14,565	32%	**$53,148**	$44,800	19%
Per boe	**$11.73**	$11.33	4%	**$11.75**	$11.42	3%

Depreciation, depletion and amortization increased 32% for the quarter and 19% year to date over 2002, as a result of increased production volumes and higher acquisition costs.

INTERNALIZATION OF MANAGEMENT CONTRACT

	Three months ended September 30,			Nine months ended September 30,		
	2003	2002	%	**2003**	2002	%
Internalization of management contract (000s)	**$1,468**	-	-	**$4,427**	-	-
Per boe	**$0.89**	-	-	**$0.98**	-	-

Effective October 9, 2002, the Fund internalized its management by acquiring all of the shares of Shiningbank Energy Management Inc. Prior to the acquisition, the Fund paid fees of 3.25% of net operating income, a fee of 1.5% on the purchase price of acquisitions and a quarterly scheduled dividend in accordance with the terms of the management agreement. The acquisition resulted in the elimination of all future fees and dividends.

$10.0 million of the total purchase price was deferred representing Exchangeable Shares subject to escrow provisions and will be amortized into income over the specific vesting periods from 2003 to 2007. For the nine months of 2003, $4.4 million was recorded as an expense, representing the amortization of these escrowed Exchangeable Shares.

TAXES

	Three months ended September 30,			Nine months ended September 30,		
	2003	2002	%	**2003**	2002	%
Capital and large corporation taxes (000s)	**$134**	$258	(48)%	**$456**	$429	6 %
Future income tax recovery (000s)	**($2,210)**	($3,900)	(43)%	**($13,250)**	($11,500)	15 %
Future income tax recovery per boe	**($1.35)**	($3.03)	(56)%	**($2.93)**	($2.93)	(0)%

The Fund is obligated to pay provincial capital taxes and federal large corporations tax in its operating corporations, but manages its activities so as not to pay current income taxes in those entities.

On June 9, 2003 the federal government announced a five-year package of tax changes intended to lower the taxation of resource income. This package included decreased corporate income tax rates for resource activities, introduction of a full deduction for actual Crown royalties paid, and the elimination of the existing 25% resource allowance. As a result, Shiningbank recorded an additional recovery of $8.0 million of future taxes, which was recorded in the second quarter of 2003.

NET EARNINGS

Shiningbank's third quarter net earnings were $15.8 million or $0.36 per Trust Unit ($0.35 diluted), compared with $5.1 million or $0.15 per Trust Unit ($0.15 diluted) in third quarter 2002. Year-to-date net earnings were $59.4 million or $1.46 per Trust Unit ($1.44 diluted), compared with 2002 figures of $15.1 million or $0.47 per Trust Unit ($0.47 diluted). The main reasons behind the increases were higher commodity prices, higher production volumes, and the $8.0 million future income tax adjustment in the second quarter.

DISTRIBUTABLE INCOME

	Three months ended September 30,			Nine months ended September 30,		
(000s)	**2003**	2002	%	**2003**	2002	%
Cash flows	**$35,057**	$16,404	114%	**$105,956**	$50,582	109%
Capital expenditures	**(8,115)**	(2,447)	232%	**(16,066)**	(6,840)	135%
Site restoration costs	**(28)**	(184)	(85)%	**(161)**	(357)	(55)%
Working capital adjustments	**$3,528**	$3,461	2%	**$1,929**	$6,305	(69)%
Distributable income	**$30,442**	$17,234	77%	**$91,658**	$49,690	84%
Distributions per Trust Unit	**$0.69**	$0.52	33%	**$2.16**	$1.56	38%
Trust Units outstanding	**44,141**	33,143		**44,141**	33,143	

Distributions per Trust Unit increased 33% for the third quarter and 38% year to date over 2002, as a result of higher commodity prices and production volumes, offset in part by higher expenses. Distributions for the quarter and year to date represented 87% of cash flow.

COSTS OF ACQUISITION AND DEVELOPMENT

During the nine-month period, Shiningbank acquired a total of $157.0 million of new properties through 10 transactions. The most significant acquisition was in the first quarter at Ferrier/O'Chiese for $133.9 million, after closing adjustments. For the third quarter, the acquired properties added over 4,000 boe/d of production.

Year to date, the Fund disposed of non-core properties with a total productive capacity of 240 boe/d, for proceeds of $5.5 million. For the third quarter the disposition of these properties reduced production by 157 boe/d.

Costs of drilling and new facilities totaled $8.1 million for the third quarter and $16.1 million for the nine months, compared with $2.4 million and $6.8 million respectively for the same periods in 2002.

Liquidity and Capital Resources

LONG TERM DEBT

The Corporation has a $195 million revolving credit facility with a syndicate of four Canadian chartered banks of which $112.5 million was drawn at September 30, 2003. The revolving period extends to April 28, 2004, at which time the facility, unless renewed, reverts to a three year term with principal payments, if necessary, commencing on July 28, 2004. The facility is secured by a $300 million floating charge debenture on all assets of the Corporation. Borrowings under the facility bear interest at an annual rate ranging from the banks' prime rate to the banks' prime rate plus 0.95%, depending on the Corporation's total debt to cash flow ratio, or, at Shiningbank's option, the bankers' acceptance rate plus a stamping fee.

UNITHOLDERS' EQUITY

On February 11, 2003, the Fund issued 3,841,000 new Trust Units at $15.00 each for gross proceeds of $57.6 million. On April 29, 2003 the Fund issued 6,497,500 new Trust Units at $15.00 each for gross proceeds of $97.5 million. In addition, a total of 608,473 units have been issued in 2003 under employee share participation plans, the exercise of exchangeable shares and under the Fund's Distribution Reinvestment Program.

As at November 13, 2003 the Fund had 44,188,362 Trust Units outstanding and 757,741 Exchangeable Shares outstanding.

Consolidated Balance Sheets

($ thousands)

	September 30, 2003	December 31, 2002
	(unaudited)	(audited)
ASSETS		
Current assets		
Accounts receivable	$30,655	$23,637
Prepaid expenses	2,705	2,878
	33,360	26,515
Fixed assets		
Petroleum and natural gas properties and equipment	799,256	631,204
Accumulated depletion and depreciation	(218,656)	(165,668)
	580,600	465,536
Other assets	2,253	2,252
	$616,213	$494,303
LIABILITIES AND UNITHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$33,198	$20,985
Trust Unit distribution payable	20,305	19,916
	53,503	40,901
Long term debt *(note 2)*	112,493	115,283
Future income taxes	50,529	63,340
Provision for future site restoration	10,413	8,347
Unitholders' equity		
Trust Units *(note 3)*	547,527	391,970
Exchangeable Shares *(note 3)*	5,990	6,475
Accumulated earnings	166,731	107,302
Accumulated Trust Unit distributions	(330,973)	(239,315)
	389,275	266,432
	$616,213	$494,303

See selected accompanying notes to interim consolidated financial statements

Consolidated Statements of Earnings and Unitholders' Equity

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

	Three months ended September 30,		Nine months ended September 30,	
	2003	2002	2003	2002
Revenues				
Oil and natural gas sales	$61,690	$33,918	$184,976	$100,545
Royalties	(13,010)	(5,778)	(40,834)	(17,439)
	48,680	28,140	144,142	83,106
Expenses				
Operating	11,129	8,924	29,478	23,610
General and administrative	935	633	3,217	2,788
Management fees	-	658	-	1,918
Interest on long term debt	1,425	1,263	5,010	3,779
Depreciation, depletion and amortization	19,260	14,565	53,148	44,800
Provision for future site restoration	743	678	2,227	2,178
Capital and large corporation taxes	134	258	456	429
Internalization of management contract	1,468	-	4,427	-
	35,094	26,979	97,963	79,502
Earnings before income taxes	13,586	1,161	46,179	3,604
Future income tax recovery	(2,210)	(3,900)	(13,250)	(11,500)
Net earnings	15,796	5,061	59,429	15,104
Unitholders' equity, beginning of period	400,424	293,613	266,432	262,325
Issue of Trust Units	2,683	3	155,557	54,032
Exchangeable Shares, net *(note 3)*	814	-	(485)	-
Trust Unit distributions	(30,442)	(17,234)	(91,658)	(49,690)
Dividends to Manager	-	(174)	-	(502)
Unitholders' equity, end of period	$389,275	$281,269	$389,275	$281,269
Net earnings per Trust Unit				
Basic	$0.36	$0.15	$1.46	$0.47
Diluted *(note 3)*	$0.35	$0.15	$1.44	$0.47

See selected accompanying notes to interim consolidated financial statements

Consolidated Statements of Cash Flows

(unaudited) ($ thousands)

	Three months ended September 30, 2003	Three months ended September 30, 2002	Nine months ended September 30, 2003	Nine months ended September 30, 2002
Operating activities				
Net earnings	$ 15,796	$ 5,061	$ 59,429	$ 15,104
Items not requiring cash				
Depreciation, depletion and amortization	19,260	14,565	53,148	44,800
Internalization of management contract	1,468	-	4,402	-
Provision for future site restoration	743	678	2,227	2,178
Future income tax recovery	(2,210)	(3,900)	(13,250)	(11,500)
Cash flow before change in non-cash working capital	35,057	16,404	105,956	50,582
Changes in non-cash working capital	6,569	(1,951)	5,368	(2,457)
	41,626	14,453	111,324	48,125
Financing activities				
Increase (decrease) in long term debt	(8,028)	26,691	(2,790)	(8,008)
Distributions to unitholders	(30,442)	(17,234)	(91,658)	(49,690)
Issue of Trust Units	2,029	3	150,670	54,032
Dividends paid	-	(174)	-	(502)
	(36,441)	9,286	56,222	(4,168)
Changes in non-cash working capital	74	(663)	389	2,675
	(36,367)	8,623	56,611	(1,493)
Total cash provided	$ 5,259	$ 23,076	$ 167,935	$ 46,632
Investing activities				
Property acquisitions	(1,390)	(21,106)	(157,026)	(46,961)
Capital expenditures	(8,115)	(2,447)	(16,066)	(6,840)
Long term investments	(111)	-	(161)	(630)
Proceeds on sale of fixed assets	4,385	661	5,479	8,156
Site restoration costs	(28)	(184)	(161)	(357)
Total cash used	$ (5,259)	$ (23,076)	$ (167,935)	$ (46,632)
Cash taxes paid	$ 51	$ 564	$ 423	$ 967
Cash interest paid	$ 1,553	$ 893	$ 5,434	$ 3,329

See selected accompanying notes to interim consolidated financial statements

Notes to Interim Consolidated Financial Statements
For the periods ended September 30, 2003 and 2002

1. 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 and following the same accounting principles and methods of computation as the consolidated financial statements for the fiscal year ended December 31, 2002. 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, 2002.

2. Long Term Debt

The Corporation has a $195 million revolving credit facility with a syndicate of four Canadian chartered banks of which $112.5 million was drawn at September 30, 2003. The revolving period extends to April 28, 2004, at which time the facility reverts to a three year term with principal payments, if necessary, commencing on July 28, 2004. The facility is secured by a $300 million floating charge debenture on all assets of the Corporation. Borrowings under the facility bear interest at an annual rate ranging from the banks' prime rate to the banks' prime rate plus 0.95%, depending on the Corporation's total debt to cash flow ratio, or, at Shiningbank's option, the bankers' acceptance rate plus a stamping fee.

3. Unitholders' Equity

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

(b) Trust Units Issued

	Number	Amount
		(000s)
Balance, December 31, 2002	33,193,937	$ 391,970
Issued for cash	10,586,864	158,886
Commissions and issue costs	-	(8,216)
Issued on conversion of Exchangeable Shares	360,109	4,887
Balance, September 30, 2003	44,140,910	547,527

(c) Exchangeable Shares

	Number	Amount
		(000s)
Balance, December 31, 2002 (net of 757,742 shares in escrow ($10,015,000))	378,872	$ 6,475
Conversion of Exchangeable Shares	(337,361)	(4,887)
Amortization of deferred portion		4,402
Balance, September 30, 2003	41,511	5,990
Exchange ratio, September 30, 2003	1.14311	
Trust Units issuable upon conversion of non-escrowed shares	47,452	
Trust Units issuable upon conversion of escrowed shares	866,182	
Total Trust Units issuable upon conversion of all shares	913,634	

(d) Trust Unit Rights Incentive Plan
At September 30, 2003, there were 1,476,734 rights outstanding, of which 600,068 were exercisable.

	Number	Average Price
Balance, December 31, 2002	1,059,000	$ 15.00
Granted	525,000	15.24
Exercised	(107,266)	13.67
Balance before reduction of exercise price	1,476,734	15.18
Reduction of exercise price		(0.91)
Balance, September 30, 2003	1,476,734	14.27

As it is not possible to determine the fair value of rights granted under the plan, compensation cost for pro forma disclosure purposes has been determined based on the excess of the unit price over the exercise price at the date of the financial statements. For the period ended September 30, 2003 there would have be a pro forma reduction in net income of $3.0 million ($0.07 per basic and diluted Trust Unit) for the estimated cost associated with rights granted on or after January 1, 2002 for which the exercise price is lower than the market value.

(e) Per Trust Unit amounts

For the nine months ended September 30, 2003, the weighted average number of Trust Units and non-escrowed Exchangeable shares outstanding was 40,641,892 (2002 – 31,064,091) and for the three months ended September 30, 2003 was 44,132,974 (2002 – 33,142,937). In computing diluted net earnings per Trust Unit, the dilutive effect of unit rights and escrowed exchangeable shares, added 702,678 Trust Units (2002 – 26,356) for the nine months and 788,447 Trust Units (2002 – 34,323) for the quarter, to the weighted average number of Trust Units outstanding.

For the year ended December 31, 2002 and the three month period ended March 31, 2003, diluted net earnings per Trust Unit was calculated using the if-converted method for the effect of the escrowed

Exchangeable Shares. Net earnings available to current and potential unitholders were decreased by the deferred portion of the internalization of the management contract for the purposes of the calculation. During the period, the Fund determined that it would be more appropriate to use the treasury stock method to calculate the effect of the escrowed Exchangeable shares. Under the treasury stock method, the deferred portion of the internalization of the management contract is treated as funds from conversion and considered to have been used to repurchase units at the weighted average market price.

Diluted net earnings per Trust Unit for the three months ended March 31, 2003 would have been $0.55 using the treasury stock method, as compared to the $0.31 previously reported. For the year ended December 31, 2002, the diluted net earnings per Trust Unit would have been $0.39, as compared to the $0.08 previously reported.

4. Financial Instruments

At September 30, 2003, 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, 2003, had the contracts been settled at that time, would have been a gain of $4.8 million.

Period	Commodity	Volume	Price
November 1, 2002 - October 31, 2003	Gas	2 mmcf/d	$4.22/mcf floor $8.70/mcf ceiling
April 1, 2003 – October 31, 2003	Gas	5 mmcf/d	$5.38/mcf
April 1, 2003 – October 31, 2003	Gas	5 mmcf/d	$5.01/mcf floor $7.06/mcf ceiling
April 1, 2003 – October 31, 2003	Gas	5 mmcf/d	$5.27/mcf floor $8.43/mcf ceiling
April 1, 2003 – December 31, 2003	Gas	13 mmcf/d	$7.75/mcf
January 1, 2004 – December 31, 2004	Gas	11 mmcf/d	$6.44/mcf
January 1, 2003 – December 31, 2003	Oil	500 bbl/d	US$24.00/bbl floor US$27.62/bbl ceiling
July 1, 2003 – December 31, 2003	Oil	500 bbl/d	US$26.00/bbl floor US$30.10/bbl ceiling
January 1, 2004 – September 30, 2004	Oil	500 bbl/d	US$25.00/bbl floor US$30.00/bbl ceiling

As at September 30, 2003, the Corporation held an interest rate swap for $10.0 million at an interest rate of 3.48%, expiring October 31, 2004. The estimated market value at September 30, 2003, had the contract been settled at that time, would be a loss of $98,000.

5. Income Taxes

During the second quarter of 2003, both the Canadian federal and Alberta governments substantively enacted income tax rate reductions previously announced. As a result, Shiningbank recorded an adjustment to future taxes, increasing earnings by $8.0 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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