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TSX: SHN.UN

**NEWS RELEASE
FOR IMMEDIATE RELEASE**

**SHININGBANK ENERGY ANNOUNCES 2004 INCOME TAX INFORMATION
FOR U.S. INVESTORS**

Shiningbank Energy Income Fund (the "Fund") today announced that its distributions to U.S. investors in 2004 were **82.39% taxable as "qualified dividends" and 17.61% tax deferred**. The Fund calculated earnings and profits under U.S. tax principles in order to provide this information to investors.

U.S. investors holding their investment in a Qualified Retirement Plan should not report any income related to distributions received on their 2004 tax return. U.S. investors holding units outside a Qualified Retirement Plan should report the taxable portion as "qualified dividend income". Amounts which are not considered taxable reduce the cost base of the units for calculating capital gains or losses upon disposition of the units.

After consulting with its tax advisors, and according to IRS notices 2003-71 and 2004-79, the Fund is of the opinion that the 2004 distributions paid to U.S. residents are to be treated as "qualified dividends". Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 "qualified dividends" are subject to a maximum tax rate of 15%.

According to IRS statements a trust does not need to be recognized in certain databases established on behalf of U.S. brokers for the trust to be recognized as a "qualified foreign corporation". Canadian trusts that are not SEC filers cannot satisfy the safe harbours necessary to be included in such databases but may very well be qualified corporations. Firms subscribing to such databases are advised that status as a "qualified foreign corporation" is to be based solely on the IRS's procedures.

As non-residents of Canada, U.S. investors in the Fund are subject to a 15% Canadian withholding tax on the total distribution. This is a non refundable tax and in most cases the amount withheld can be treated as a foreign tax credit for U.S. tax purposes. Registered non-resident unitholders will receive a Form NR4 from the Fund's transfer agent, Computershare Trust Company of Canada, stating the amount of foreign tax withheld. Non-registered unitholders will receive the information through their broker.

The Fund is not required to file Form 1099s, and is providing this information in lieu of such requirement. Brokers, acting as intermediaries for investors, may be required to provide Form 1099s for their clients but these may not accurately reflect the information presented here. Form 1099 reporting does not control how the taxpayer is entitled to report distributions. Investors should consult with their brokers and tax advisors to ensure that the information presented in this news release is accurately reflected in their 1099s and tax returns.

This information is not exhaustive of all possible U.S. income tax considerations, and is provided as a general guideline only. Unitholders of the Fund should consult their own legal and tax advisors regarding their individual tax consequences.

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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