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TSX: SHN.UN

**NEWS RELEASE – FOR IMMEDIATE RELEASE
SHININGBANK ENERGY ANNOUNCES 2004 RESERVE INFORMATION**

Shiningbank Energy Income Fund (the “Fund” or “Shiningbank”), today announced the results of its December 31, 2004 independent reserves evaluation. Parts of the evaluation were conducted by each of Paddock Lindstrom & Associates Ltd. (“PLA”) and Sproule Associates Limited (“Sproule”) effective December 31, 2004 and prepared in accordance with National Instrument 51-101. The following information aggregates the results of the two reports.

2004 HIGHLIGHTS

- Increased proved plus probable reserves by 22% and proved reserves by 15% through acquisition and development in 2004;
- Proved producing reserves constitute 84% of total proved reserves and total proved reserves equate to 68% of total proved plus probable reserves;
- Shiningbank replaced 277% of 2004 production with new reserves acquired or developed in the year, bringing cumulative replacement to 276% of production over the life of the Fund;
- On the basis of proved plus probable reserves:
 - New reserves were acquired at an average cost of \$12.90 per barrel of oil equivalent (“boe”) including future development costs (“FDCs”) and \$11.16 per boe excluding FDCs;
 - Three year acquisition costs averaged \$11.98 per boe including FDCs and \$10.66 per boe excluding FDCs;
 - Development costs for the year aggregated \$11.79 per boe including technical revisions and changes in FDCs and \$9.80 per boe excluding revisions and FDCs;
 - Total acquisition and development costs, including revisions and the change in FDCs and technical revisions, aggregated \$12.70 per boe, \$10.81 per boe without revisions and FDCs;
 - The recycle ratio for 2004, based on an operating netback of \$25.96 per boe, was 2.0 to 1, indicating extremely cost effective reserve additions.
 - The Fund’s reserve life index (“RLI”) stands at 9.8 years based on estimated 2005 production. Shiningbank’s RLI has fluctuated between 9.6 and 10.4 years over the past five years.

The following tables summarize the independent reserve estimates and value at December 31, 2004:

Summary of Oil and Gas Reserves - Forecast Prices and Costs

	Reserves (Company Interest)				
	Oil (mdbl)	Natural Gas (mmcf)	NGL (mdbl)	2004 Oil Equivalent (mboe)	2003 Oil Equivalent (mboe)
Proved					
Developed Producing	4,791.6	173,242.7	5,979.9	39,645.3	35,852.1
Developed Non-Producing	29.5	17,025.5	424.5	3,291.6	2,846.1
Undeveloped	159.8	19,459.3	1,069.0	4,472.0	2,353.4
Total Proved	4,980.9	209,727.5	7,473.4	47,408.9	41,051.6
Probable	2,558.4	97,880.7	3,771.2	22,643.1	16,343.6
Total Proved plus Probable	7,539.3	307,608.2	11,244.6	70,052.0	57,395.2

Value of Reserves using Forecast Prices and Costs

(000s)	Discount factor				
	0%	5%	10%	12%	15%
Present value of reserves					
Proved Developed Producing	\$ 864,857	\$ 689,424	\$ 584,968	\$ 553,666	\$ 514,101
Proved Developed Non-Producing	68,892	51,863	41,798	38,828	35,116
Proved Undeveloped	81,373	59,707	45,987	41,840	36,615
Total Proved	1,015,122	800,994	672,753	634,334	585,832
Probable	464,884	273,833	188,585	166,835	141,620
Total Proved plus Probable	\$ 1,480,006	\$ 1,074,827	\$ 861,338	\$ 801,169	\$ 727,452

Reserves Reconciliation

	Reserves (Company Interest)			
	Oil (mdbl)	Natural Gas (mmcf)	NGL (mdbl)	2004 Oil Equivalent (mboe)
Total Proved				
December 31, 2003	4,572.8	182,862.3	6,001.7	41,051.6
Acquisitions	1,434.2	41,014.7	1,891.9	10,161.9
Dispositions	(86.5)	(536.7)	(15.6)	(191.6)
Extensions	0.0	2,196.9	121.8	488.0
Discoveries	37.5	15,893.2	701.4	3,387.8
Technical revisions and economic factors	(105.6)	(20.7)	(84.0)	(193.1)
Production	(871.5)	(31,682.2)	(1,143.8)	(7,295.7)
December 31, 2004	4,980.9	209,727.5	7,473.4	47,408.9
Total Proved plus Probable				
December 31, 2003	6,786.6	252,953.5	8,449.7	57,395.2
Acquisitions	2,216.3	67,384.7	3,117.3	16,564.4
Dispositions	(149.8)	(626.1)	(15.6)	(269.8)
Extensions	0.0	2,976.7	160.2	656.4
Discoveries	50.4	23,589.6	1,108.2	5,090.2
Technical revisions and economic factors	(492.7)	(6,988.0)	(431.4)	(2,088.7)
Production	(871.5)	(31,682.2)	(1,143.8)	(7,295.7)
December 31, 2004	7,539.3	307,608.2	11,244.6	70,052.0

Notes to tables:

1. Barrel of oil equivalent (boe) volumes are reported at 6:1 with 6 mcf = 1 bbl. The 6:1 conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. While it is useful for comparative measures, it may not accurately reflect individual product values and may be misleading if used in isolation.
2. Company interest includes working interest plus royalty interests attributable to the Fund.
3. The present value of reserves is net of estimated future capital expenditures, royalty burdens, operating costs and abandonment costs, but prior to any provision for general and administrative expenses. It should not be assumed that present value is representative of the fair market value of the assets. Present value is based on Sproule's escalated price forecast as of January 1, 2005, which assumes a base 2005 oil price of US\$44.29/bbl and an Alberta natural gas reference price of C\$6.76/mcf.

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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