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TSX: SHN.UN

## NEWS RELEASE FOR IMMEDIATE RELEASE

### Shiningbank Energy announces 2006 Income Tax information for U.S. investors

Shiningbank Energy Income Fund (the "Fund") provides the following information to assist its U.S. unitholders in reporting distributions received from the Fund during 2006 on their individual U.S. Income Tax Return - Form 1040.

This summary 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 has not received a letter ruling from the Internal Revenue Service or an opinion from its tax advisors on these matters.

#### Qualified Dividends

In consultation with its U.S. tax advisors, Shiningbank believes that its trust units should be properly classified as equity in a corporation, rather than debt. Therefore, distributions paid to individual U.S. unitholders should be considered "qualified dividends" for U.S. federal income tax purposes. As such, the portion of the distributions made during 2006 that are considered dividends for U.S. federal income tax purposes should qualify for the reduced rate of tax applicable to long-term capital gains. Investors should consult with their tax advisors to ensure that their individual tax situation is considered before making any decisions.

#### Trust Units Held Within a Qualified Retirement Plan

No amounts are required to be reported on a Form 1040 where Shiningbank trust units are held within a qualified retirement plan.

#### Trust Units Held Outside a Qualified Retirement Plan

With respect to distributions paid during the year to U.S. unitholders, **79.84%** should be reported as "qualified dividends" and **20.16%** should be reported as a return of capital (to the extent of the unitholder's U.S. tax basis in their respective units).

#### Canadian Government Withholding Tax

Shiningbank's distributions are subject to a non-refundable, 15% Canadian government withholding tax that is applied to any payments being made to individual U.S. unitholders. Where trust units of the Fund are held in a cash account, we believe the full amount of the

withholding tax should be creditable as a Foreign Tax Credit, subject to numerous U.S. tax limitations, for the year in which the withholding taxes are withheld.

Where trust units of the Fund are held in a qualified retirement plan, the same non-refundable, 15% Canadian government withholding tax applies but Shiningbank believes the amount withheld is not creditable for U.S. tax purposes. Investors should consult with their tax advisors or the IRS for further guidance.

Information regarding the amount of Canadian tax withheld in 2006 should be determined from your own records or through your stockbroker or other intermediary; it is not available from Shiningbank.

### **Form 1099-DIV**

U.S. unitholders who hold their Shiningbank trust units through a stockbroker or other intermediary should receive tax reporting information from their stockbroker or other intermediary. This is typically a Form 1099-DIV (“1099”) or a substitute form developed internally by the broker or intermediary. Shiningbank is not able to furnish unitholders with a 1099.

Information on the 1099 issued by the broker or other intermediary may not accurately reflect the information in this press release, for a variety of reasons. The broker or intermediary may not be required to issue an amended 1099. Investors should consult with their accountant or tax advisor to ensure that the information presented in this press release is accurately reflected on their Form 1040.

Shiningbank Energy Income Fund is a natural gas focused energy trust founded in 1996. The Fund purchases, develops and operates producing properties for the direct benefit of its unitholders. Shiningbank has one of the highest weightings of natural gas production in the energy trust sector at 77%.

Shiningbank is listed on the Toronto Stock Exchange under the symbol SHN.UN. For further information please visit our website, [www.shiningbank.com](http://www.shiningbank.com), or contact us at:

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