



A D V A N T A G E

ENERGY INCOME FUND

Advantage Energy Income Fund – News Release

June 17, 2003

Advantage Announces \$30 Million Convertible Debenture Bought Deal Financing

(TSX: AVN.UN)

CALGARY, ALBERTA - Advantage Energy Income Fund (“Advantage” or the “Fund”) (AVN.UN-TSX) is pleased to announce it has entered into an agreement, on a bought deal basis with a syndicate of underwriters led by Scotia Capital, and including BMO Nesbitt Burns Inc., National Bank Financial Inc., CIBC World Markets Inc. and FirstEnergy Capital Corp. for an offering of \$30 million aggregate principal amount of convertible unsecured subordinated debentures (the “Convertible Debentures”). The Convertible Debentures, with a face value of \$1,000 per debenture, will have a coupon of 9.00%, mature on August 1, 2008 and be convertible into trust units of Advantage at a price of \$17.00 per trust unit. Purchasers converting their Convertible Debentures will receive accrued and unpaid interest thereon. Purchasers of the Convertible Debentures will receive interest semi-annually with the first interest payment on February 1, 2004. The offering is expected to close on or before July 8, 2003.

The net proceeds of the offering will be used to fund the previously announced expanded capital expenditures program aimed primarily at shallow, long life natural gas infill and development drilling projects. In the interim the net proceeds will be used to repay outstanding indebtedness.

The offering of Convertible Debentures is being made in Canada pursuant to a short-form prospectus, to Qualified Institutional Buyers in the United States pursuant to the exemption from registration provided by Rule 144A under the Securities Act of 1933 and internationally as permitted.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction.

Advantage’s trust units and outstanding convertible debentures trade on the Toronto Stock Exchange under the symbols AVN.UN and AVN.DB respectively.

The information in this news release contains certain forward-looking statements that involve substantial known and unknown risks and uncertainties, certain of which are beyond Advantage’s control, including: the impact of general economic conditions, industry conditions, changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced, increased competition, fluctuations in commodity prices and foreign exchange and interest rates, stock market volatility and obtaining required approvals of regulatory authorities. Advantage’s actual results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits that Advantage will derive from them.

This press release is not for release or distribution in the United States.

.For further information contact:

Mr. Gary F. Bourgeois, VP Corporate Development
Phone: (416) 945-6636
Toll free: 1-866-393-0393

ADVANTAGE ENERGY INCOME FUND
3100, 150 - 6th Avenue SW
Calgary, Alberta T2P 3Y7
Phone: (403) 261-8810
Fax: (403) 262-0723

Web Site: www.advantageincome.com

E-mail: advantage@advantageincome.com