

**TSX: SIF.UN**

- **FOR IMMEDIATE RELEASE**

**PRESS RELEASE**

**Energy Savings announces 23<sup>rd</sup> Distribution Rate Increase**

**\$0.03 Increase to \$1.005 per Annum Effective August Distribution**

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TORONTO, ONTARIO - - June 29, 2006 - -

In speaking to the Energy Savings Income Fund Annual General Meeting, Executive Chair Rebecca MacDonald today announced that the Fund's Board of Directors approved, effective the distribution paid August 31, 2006, an increase in the annual distribution rate on the Funds units to \$1.005 per unit or \$0.08375 per Unit per month. This is the 23<sup>rd</sup> such increase since the Fund's IPO in April 2001.

Ms. MacDonald stated: "Investors own income funds to earn a stable, predictable income stream from distributions. From its inception, Energy Savings has been a unique fund, one which grows as well. The proof of our Funds' ability to grow is shown in the 23 distribution rate increases since our IPO five years ago. Our annual distribution rate now exceeds \$1.00 per Unit. This is a result of our growth and stable business model which makes Energy Savings attractive to investors."

CEO Brennan Mulcahy added: "We saw record customer additions in fiscal 2006 adding 28% to our customer base. Many of these customers began generating cash flow in fiscal 2007. As we have moved through our first quarter we are at a point where it is clear that cash from these customers will be more than adequate to support a second annual \$0.03 increase in distribution per unit over and above the recently announced \$0.03 increase effective the July distribution. Management and the Board will continue to monitor our growth with consideration to further increases. Distribution increases will be considered if they meet our criteria which fully allows for cash required to meet our published 20% customer base growth target for the coming year."

Ms. Macdonald added: "Our business continues to grow rapidly and profitably. Both Brennan and I are significant Unit Holders and we believe that the future potential for Energy Savings far exceeds that at any point in our history. As an Income Fund, one result of realizing this potential would be higher distributions in the future."

### *The Fund*

Energy Savings' business, which is conducted in Ontario, Manitoba, Alberta, Quebec, British Columbia, Illinois, and New York, involves the sale of natural gas to residential, small to mid-size commercial and small industrial customers under long term, irrevocable fixed price contracts. Energy Savings also supplies electricity to Ontario, Alberta and New York customers. By fixing the price of natural gas or electricity under its fixed price contracts for a period of up to five years, Energy Savings' customers offset their exposure to changes in the price of these essential commodities. Energy Savings, which commenced business in July of 1997, derives its margin or gross profit from the difference between the fixed price at which it is able to sell the commodities to its customers and the fixed price at which it purchases the matching volumes from its suppliers.

### *Forward-Looking Statements*

The Fund's press releases may contain forward-looking statements including statements pertaining to customer revenues and margins, customer additions and renewals, customer consumption levels, distributable cash and treatment under governmental regulatory regimes. These statements are based on current expectations that involve a number of risks and uncertainties which could cause actual results to differ from those anticipated. These risks include, but are not limited to, levels of customer natural gas and electricity consumption, rates of customer additions and renewals, fluctuations in natural gas and electricity prices, changes in regulatory regimes and decisions by regulatory authorities, competition and dependence on certain suppliers. Additional information on these and other factors that could affect the Fund's operations, financial results or distribution levels are included in the Fund's annual information form and other reports on file with Canadian securities regulatory authorities which can be accessed through the SEDAR website at [www.sedar.com](http://www.sedar.com) or through the Fund's website at [www.esif.ca](http://www.esif.ca)

The Toronto Stock Exchange has neither approved nor disapproved of the contents of this release.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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