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PRESS RELEASE

Energy Savings Applauds Electricity Restructuring Legislation

TORONTO, ONTARIO - - June 16, 2004 - -

Energy Savings Income Fund (“Energy Savings” or the “Fund”) announced its support for the Ontario Minister of Energy’s tabling of the *Electricity Restructuring Act, 2004*, an important step in the reopening of the competitive market to retailers such as Energy Savings. A review of the proposed legislation indicates the commitment of the Province to ensure that consumers pay the true price of power and that regulation under the Ontario Energy Board will be similar to that of the Ontario natural gas which has operated successfully for more than a decade. These steps are essential in the fostering of customer choice and competition among retailers of long term fixed price electricity contracts.

The Backgrounder released by the Minister of Energy makes it clear that all consumers, including residential customers, will be able to purchase from retailers such as Energy Savings. The excerpts below (emphasis added) are from the Ministry’s release.

“The OEB would approve an annual rate plan for residential and other low-volume and other consumers based on regulated, contract and expected market prices, and guarantee public input and fairness. **Consumers and small businesses that do not wish to participate in the regulated rate plan could purchase their electricity from energy retailers.**”

“Electricity costs for medium and large businesses would reflect a combination of regulated, contract and competitive market prices for electricity. **These businesses could also opt to use energy retailers** or financial hedging instruments to manage energy costs.”

Rebecca MacDonald, CEO of Energy Savings, stated: “The reopening of the full Ontario electricity market is a step closer with the introduction of this legislation. We fully support the careful and deliberate actions taken by the Government and will provide our input during the consultation period leading up to the final reading expected in the fall. What is truly important for the Fund is the clear understanding that customer choice and the product offerings of retailers are a major part of the long term plan.”

Ms. MacDonald added; “While we will not begin broader electricity marketing until the final regulations are clarified, we see little within the Bill or associated releases that indicates anything other than a free and open competitive environment.”

The Fund also announced that it has received its Marketer’s License for British Columbia and expects to begin offering long term fixed price natural gas contracts in that Province in July.

The Fund

Energy Savings’ business, which is conducted in Ontario, Manitoba, Quebec, British Columbia and Illinois, 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 customers under contracts secured prior to the November 11, 2002 price freeze and to certain large volume users who do not fall under the Government’s price freeze. 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 eliminate 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. Specifically, this release contains forward-looking estimates of customer aggregation and customer margins for the Illinois natural gas market. Forward-looking 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 or through the Fund’s website at www.esif.ca

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

FOR FURTHER INFORMATION, PLEASE CONTACT:

Ms. Rebecca MacDonald
Chair and Chief Executive Officer
Phone: (416) 367-2872

or

Mr. Ken Hartwick C.A.
Chief Financial Officer
Phone: (905) 795-3557