

TSE: SIF.UN

FOR IMMEDIATE RELEASE

PRESS RELEASE

**ENERGY SAVINGS INCOME FUND ANNOUNCES 18TH
DISTRIBUTION INCREASE**

TORONTO, ONTARIO – August 12, 2004

Correction to press release sent out earlier; In the first paragraph “A Distribution of \$0.696 per unit was declared payable has been corrected to \$0.0696 per unit”.

Energy Savings Income Fund filed notice with the Toronto Stock Exchange today announcing its September and October distributions. A distribution of \$0.0696 per Unit was declared payable on September 30th, 2004 to Unitholders of record September 15, 2004. The Fund also announced the 18th increase in its annual rate of distributions from \$0.835 to \$0.865 so that a distribution of \$0.072 will be paid on October 31, 2004 to Unitholders of record at the close of business on October 15, 2004. The Units trade on the Toronto Stock Exchange under the symbol “SIF.UN”.

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 cap. 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.

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