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PRESS RELEASE

Energy Savings Reports Second Quarter Results –
Customer Aggregation Ahead of Published Targets
Distributable Cash up 20% Year over Year

TORONTO, ONTARIO - - November 8, 2004 - -

Highlights for the 3 Months and 6 Months ended September 30, 2004 included:

- Gross margin of $39.3 million up 24% year over year and up 8% over Q1.
- Premarketing distributable cash of $32.7 million ($0.31 per unit) up 20% year over year and up 17% over Q1
- General and administrative costs of $6.4 million down from $8.1 million in Q1
- Distributions were up 17% with a 68% payout ratio.
- Q2 gross customer additions were 79,000 and net additions were 51,000. Year to date gross additions are 148,000 and net additions were 103,000. Published targets for the year are gross additions of 260,000 and net additions of 160,000.
- Customers added in Illinois increased from 5,000 to 16,000
- Customers added in Quebec, Manitoba and British Columbia increased from 9,000 to 29,000
- For the first time, customers added in new markets exceeded those added in Ontario.

Energy Savings Second Quarter Results

Energy Savings Income Fund announced its results for the second quarter ended September 30, 2004.

Three Months ended Sept. 30, ($ millions except per Unit)	F2005	Per Unit	F2004	Per Unit
Sales [1]	$203.5		$192.7	
Gross Margin [1]	39.3		31.7	
Distributable Cash				
- Premarketing	32.7	$0.31	27.1	$0.26
- Post Marketing	22.0	$0.21	20.7	$0.20
Distributions	22.1	$0.21	18.9	$0.18
Long Term Customers	1,095,000		884,000	

Six Months ended Sept. 30, ($ millions except per Unit)	F2005	Per Unit	F2004	Per Unit
Sales [1]	$407.0		$345.7	
Gross Margin [1]	75.5		65.0	
Distributable Cash				
- Premarketing	60.7	$0.57	56.7	$0.54
- Post Marketing	41.0	$0.39	41.3	$0.39
Distributions	43.5	$0.41	37.5	$0.36

[1] Seasonally adjusted

Energy Savings is an Income Fund and it reports in the attached Management's Discussion and Analysis a detailed calculation of distributable cash both before and after marketing expenditures to expand the Fund's customer base.

Higher gross margin from an increased customer base and tightly controlled general and administrative costs led to a 20% year over year distributable cash increase and a 17% increase over the first quarter. This was despite a continued decline in Ontario residential natural gas consumption, a trend which has seen standard household usage (adjusted for weather effects) decline 4% over the past two years. Distributions increased once in the quarter to $0.865 per unit, the 18th such increase in Energy Savings history.

The Fund's past success in customer aggregation continued in the second quarter. The Fund had published targets of 260,000 gross customer additions and 160,000 net additions for the year ended March 31, 2005. During the second quarter, Energy Savings had gross additions of 79,000 new customers and net additions of 51,000 new customers. After two quarters, the Fund has realized 57% of its annual gross addition target and 64% of the expected net customer additions for the year.

The key to this performance was better than expected ramp-up in new markets of Illinois, Quebec, Manitoba and British Columbia. In Illinois, customer additions increased to 16,000 from 5,000 in the first quarter. In the Canadian new markets, additions were 29,000 up from 9,000 in Q1. As the numbers of agents in all these new markets continues to grow, management is confident that the fiscal 2005 targets of 50,000 for United States new markets and 50,000 for Canadian new markets will be exceeded by year end. No material cashflow in the period came from new markets where rapid customer additions will begin to pay back in the coming quarters.

The Fund is in the process of completing a small acquisition which is expected to be finalized by the end of the month. This acquisition is not material from a cashflow perspective as it largely involves the provision of certain services to Energy Savings on a go forward basis. The transaction will require a drawdown of approximately $10 million from cash on hand. As definitive agreements have not yet been signed, there can be no assurance that the transaction will, in fact, close.

Chair Rebecca MacDonald added: "I am excited about a number of things this quarter. Firstly, our marketing success in new markets bodes very well for the future. We are on or ahead of track in every market and margins remain at or above target levels. I feel confident about all our targets. Our distributable cash was solid, based not only on customer growth but also on a concerted effort by management to control costs while we grow."

President Brennan Mulcahy stated: "Once again this quarter, we have combined continued growth with profitability. Not only has our customer base grown faster than our annual targets but our distributable cash is also up 20% year-over-year and 17% over the first quarter. We have carefully watched our administrative costs and they have been reduced 21% from Q1."

Ms. MacDonald added: "Our customer aggregation success resulted in quarterly marketing expenditures (largely agent commissions) almost 70% higher than last year. This, along with the $10 million expected to be spent on our pending transaction, will draw our cash on hand down to a level where our Board cannot prudently approve another distribution increase at this time. While we are debt free and have considerable remaining cash, the recent experience of other Trusts which have become over-levered leaves us comfortable with a continued conservative stance toward higher distributions."

"The customers being added pay back in less than a year and the proposed transaction meets our standard investment criteria. Both should contribute to possible growth in distributions in the future."

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 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. For the purpose of its disclosure, Energy Savings defines a "customer" as a residential customer equivalent consuming 106 GJs of gas or 10,000 Kwhs of electricity per year.

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 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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