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PRESS RELEASE

Energy Savings Enters Alberta Natural Gas and Electricity Markets Acquires Deregulated Customers from EPCOR

TORONTO, ONTARIO – November 26, 2004: Energy Savings Income Fund ("Energy Savings" or the "Fund") announced its entry into the Alberta natural gas and electricity markets through the signing of long-term billing, collection and supply agreements with subsidiaries of EPCOR Utilities Inc., the Edmonton-based integrated energy services and utility holding company ("EPCOR"). In addition, Energy Savings also acquired Alberta long term fixed price contracts equating to approximately 45,000 residential customer equivalents ("RCEs") of deregulated gas customers and 90,000 RCEs of deregulated electricity customers aggregated by EPCOR with an average of 2 years remaining on their contracts. The total up-front cost of the arrangement will be $10.975 million with services provided by EPCOR at standard industry rates. The purchase will be funded out of cash on hand.

The asset purchase agreement contains the usual closing conditions including approval from the Federal Competition Bureau. The related agreements provide for long term billing, collection and supply for the newly acquired customers and, within prescribed limits, future growth of Energy Savings' Alberta customer base. It is presently expected that the closing will take place on or before December 1, 2004 and will have an effective date of November 1, 2004.

The Alberta market has a total of 1,200,000 natural gas and 1,500,000 electricity residential customer equivalents. Market penetration to date is estimated by management at 6%. The Alberta electricity and gas markets are open for both residential and commercial customers making this market larger than any of the existing deregulated Manitoba, British Columbia (commercial only) or Quebec (commercial only) markets.

The book of customers acquired with the transaction generates margins which are lower than Energy Savings' standard margins for both gas and electricity. In addition, based on an analysis of the book, Energy Savings believes that 50% of the customers is a reasonable target for renewal following expiration of their EPCOR contracts and, as such, the other 50% will be categorized as "Not Expected to Renew" for our future customer reporting. Overall, net income from all acquired customers (after Alberta administrative costs) is not expected to be material until such time as they are renewed at Energy Savings' margins.

Rebecca MacDonald, Chair of Energy Savings, stated that: "We have consistently viewed our greatest impediment to entry into the Alberta market to be our unwillingness to take on billing and collection. We had hoped that we could find a partner with the proven capability to bill and collect in that market. We believe EPCOR is that partner. They are a well known Alberta name with a long track record of excellent customer service. Through this arrangement, they can continue to profit from this expertise within the deregulated marketplace which they have otherwise chosen to exit. This transaction can be a clear win-win for both parties. We are happy to provide Alberta residents with the opportunity to lock-in a long term fixed price for their commodity needs."

Brennan Mulcahy, President of Energy Savings, noted: “We are well along in the process of establishing a sales force in Alberta. We expect that we will be able to market our first customers early in the new year and that Alberta will be a profitable contributor beginning in our fiscal year ended March 31, 2006. Within this arrangement, we also acquire certain natural gas supply and load-following electricity supply sufficient to match the existing book and have a structure in place to acquire supply for future customer aggregation..”

“This transaction allows EPCOR to focus tightly on its core businesses including power generation, water and wastewater treatment services, managing industrial customer energy portfolios, regulated electricity distribution and transmission, and providing a stable regulated rate option to customers,” said Don Lowry, President & CEO of EPCOR. “For customers, the transition will be seamless. Their contracts will remain intact with the same rate they signed on for, over the same term. In addition, EPCOR will continue to provide billing and customer service should they have any questions about their accounts.”

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.

EPCOR Utilities Inc**.** is one of Canada's top providers of energy and energy-related services and products. Drawing on over 100 years of experience, EPCOR owns and operates power plants, electrical transmission and distribution networks, builds and operates water and wastewater treatment facilities and infrastructure and provides power and water solutions to customers in Alberta, British Columbia, Ontario and the U.S. Pacific Northwest. With over $4 billion in assets, EPCOR is headquartered in Edmonton, Alberta. EPCOR's web-site is www.epcor.ca.

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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