

TSE: SIF.UN

FOR IMMEDIATE RELEASE

PRESS RELEASE

**ENERGY SAVINGS INCOME FUND ANNOUNCES JANUARY
DISTRIBUTION**

TORONTO, ONTARIO – December 17th, 2004 - - Energy Savings Income Fund filed notice with the Toronto Stock Exchange today announcing its January distribution. A distribution of \$0.072 will be paid on January 31, 2005 to Unitholders of record at the close of business on January 15, 2005. 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, Alberta 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 and Alberta customers under similar long term contracts. 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. 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:

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