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PRESS RELEASE

Hon. Donald S. Macdonald Joins Energy Savings Board

TORONTO, ONTARIO - January 17, 2005: Energy Savings Income Fund (“Energy Savings” or the “Fund”) announced the appointment of the Honourable Donald S. Macdonald to its Board of Directors effective January 17, 2005.

First elected to the House of Commons in 1962, Mr. Macdonald served as Member for Toronto-Rosedale for sixteen years, nine of them as Minister in the Cabinet of Pierre Trudeau holding, in succession, the portfolios of:

- Government House Leader
- Minister of National Defence
- Minister of Energy, Mines and Resources, and
- Minister of Finance

From 1982 to 1985, Mr. Macdonald was Chairman of the Royal Commission on the Economic Union and Development Prospects for Canada (the Macdonald Commission), and from 1988 to 1991 was High Commissioner for Canada to the United Kingdom. In 1995 he chaired the Advisory Committee on Competition in Ontario’s Electricity System.

Senior Advisor, Public Policy to the law firm of Lang Michener, Mr. Macdonald also serves a director of Century Mining Corporation, as a trustee of Clean Power Operating Trust and as Chairman and trustee of IPC U.S. REIT.

In the not-for-profit sector, he has chaired a number of organizations:

- International Development Research Centre
- Institute for Research on Public Policy
- The Design Exchange
- Institute of Corporate Directors
- Canadian Council for Public-Private Partnerships
- Atlantic Council of Canada

and was part-time special lecturer at the University of Toronto Law School.

Rebecca MacDonald, Chair of Energy Savings, stated that: “We are very pleased to add Donald Macdonald to our Board. He brings a wealth of experience and specific knowledge of the electricity industry. His name epitomizes character and integrity for Canadians”

The Fund

Energy Savings’ business, which is conducted in Ontario, Manitoba, Alberta, 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 and Alberta customers. 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.

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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Ms. Rebecca MacDonald
Chair
Phone: (416) 367-2872

or

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