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PRESS RELEASE

Energy Savings announces 22nd Distribution Rate Increase

\$0.03 Increase to \$0.975 per Annum Effective July Distribution

TORONTO, ONTARIO - - May 18, 2006 - -

Energy Savings Income Fund announced that its Board of Directors approved, effective the distribution paid July 31, 2006 (to Unitholders of record July 15, 2006), an increase in the annual distribution rate on the Fund's units to \$0.975 per unit or \$0.08125/unit per month. This is the 22nd such increase since the Fund's IPO in April 2001.

Executive Chair Rebecca MacDonald stated: "Given the strong operating results of last year and the substantial growth in locked-in margins from our increased customer base, we are happy to announce another distribution rate increase."

"As can be seen from our fiscal 2006 results, our payout ratio remains low enough to fund both record growth and higher distributions. This balance has been a hallmark of Energy Savings as an income fund. We expect another year of record customer additions in fiscal 2007 and have made full provision for the cost of those additions within the planning for this increase. Should we continue to realize our target margins, the result should be further distribution increases in the coming year."

The Fund

Energy Savings' business, which is conducted in Ontario, Manitoba, Alberta, Quebec, British Columbia, Illinois, and New York, 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, Alberta and New York 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.

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