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PRESS RELEASE

SECOND QUARTER RESULTS FOR 3 AND 6 MONTHS ENDING SEPTEMBER 30, 2006

MANAGEMENT REAFFIRMS PUBLISHED GUIDANCE FOR YEAR

EXECUTIVE CHAIR REBECCA MACDONALD COMMENTS ON PROPOSED TAXATION OF TRUST DISTRIBUTIONS

TORONTO, ONTARIO – November 6, 2006 --

Highlights for the three months ended September 30, 2006 included:

- Gross customer additions of 93,000 with net additions of 59,000. Energy Savings customer base reached 1,647,000, up 24% year over year.
- Gross margin (seasonally adjusted) of $44.2 million, up 12% year over year.
- Net loss of $1.3 million, down from net income of $9.8 million, primarily due to non-cash mark to market valuation of hedge positions.
- Distributable cash after customer replacement of $24.8 million ($0.23 per unit), down 6% year over year.
- Distributions of $0.25 per unit, up 12% year over year.
- Completion of successful test marketing allowing entry into the Indiana natural gas market.
- Reaffirmation of management guidance for the fiscal 2007 annual results versus fiscal 2006:

Gross Margin growth	15% - 20%
Distributable Cash growth	15% - 20%

Energy Savings Second Quarter Results

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.

Energy Savings Income Fund announced its results for the three and six months ended September 30, 2006.

Three months ended September 30, ($ millions except per Unit)	F2007	Per Unit	F2006	Per Unit
Sales [1]	$330.1		$270.9	
Gross Margin [1]	44.2	$0.41	39.3	$0.37
Distributable Cash[1]				
After Customer Replacement	24.8	$0.23	26.5	$0.25
After Marketing for New Customers	19.1	$0.18	20.8	$0.19
Distributions	26.9	$0.25	24.0	$0.22
Long Term Customers	1,647,000		1,327,000	
Six months ended September 30, ($ millions except per Unit)	**F2007**	**Per Unit**	**F2006**	**Per Unit**
Sales [1]	$651.2		$533.9	
Gross Margin [1]	92.4	$0.86	82.0	$0.77
Distributable Cash[1]				
After Customer Replacement	55.2	$0.51	53.6	$0.50
After Marketing for New Customers	40.6	$0.38	42.3	$0.40
Distributions	52.5	$0.49	47.5	$0.44

[1] Seasonally adjusted

Operationally, we faced a number of challenges during the quarter. In particular, excess gas from last year's warm winter in Ontario was released from local utility storage and was sold during a period of low spot prices. In the US, the growth of our business has been slowed because of credit screening of contracts in Illinois and high customer losses prior to flow and heavy attrition in New York due to customer switching.

There is little that Energy Savings can do about lower gas consumption during warm winters and we cannot control the times at which excess gas is released from utility storage. Our risk management policy requires excess supply to be sold immediately. As has been stated in the past, we are exposed to the extent of 3% to 4% of our margin in a record warm winter. Despite this setback, we expect our year over year margin increase to be in the 15% to 20% range assuming a normal winter season.

We have taken steps to deal with each of the US issues. In Illinois, tight credit processes have been accepted by our independent sales agents and they are modifying their sales techniques accordingly. We expect a ramp-up in Illinois production, particularly as the agents expand their market territory to include newly opened Indiana.

In New York, we have worked collaboratively with the local utility and regulators to institute what is known in our other markets as a Contest Period. Many of our New York customers are being switched, without the opportunity to make an informed decision, to other suppliers. Without the ability to contest this switch, it is often several months before the customer can be returned to our service. This inconveniences suppliers, customers and the utility alike.

We are currently petitioning for a Contest Period system with the support of the utility and many other industry participants under which the existing suppliers to switched customers can contact the customer and receive authority to stop the switch. The results of experience in existing jurisdictions show lower attrition and an increase in the ratio of signed contracts submitted to contracts which eventually flow. Management is optimistic that a Contest Period will be approved prior to calendar year end.

Our expectation is that US customer aggregation will ramp up in Q3 and Q4. While we will not reach our US target of 190,000 new customers for the year, strong results in Canada (where we are 60% of the way to the published annual target after 6 months) sees us 47% of the way to overall target of 475,000 gross additions and 307,000 net additions after the second quarter.

The chart below illustrates our marketing results in comparison to our published targets and the prior year.

Market	Published Target	F2007 Q2 Additions	F2007 YTD Additions	% of Target	F2006 YTD Additions
Ontario Gas	50,000	9,000	23,000	46%	32,000
Other provinces Gas	60,000	17,000	40,000	67%	43,000
Canada Electricity	175,000	41,000	108,000	62%	85,000
United States Gas	100,000	20,000	37,000	37%	34,000
U.S. Electricity	90,000	6,000	13,000	14%	1,000
Total	475,000	93,000	221,000	47%	195,000
Net Additions	307,000	59,000	145,000	47%	106,000

Overall, our customer base stands at 1,647,000, up 24% in the last 12 months. Customer aggregation, always the key to Energy Savings' success remains strong. We are very pleased to announce that, following successful test marketing, Energy Savings has entered the Indiana natural gas market with the opening of our first office in September. Because of its proximity to Illinois and a regulatory environment very close to Ontario, we believe Indiana will be a low cost but profitable market in the coming years.

Our business has become more seasonal and this shift toward Q3 and Q4 will continue as we grow in markets like the US and Alberta. To aid our Unitholders' ability to understand the financial impact of this seasonality, during the first quarter we placed a presentation entitled "Business Seasonality" on our web site www.esif.ca.

This presentation looked at our published guidance of 15% to 20% growth in both gross margin and distributable cash and indicated the quarterly results necessary to meet the middle of our guidance based on expected seasonality. The table below highlights our position after the second quarter versus these necessary levels:

Gross Margin (after Bad Debt)	***Q1***	***Q2***	***Q3***	***Q4***	***Year***	***Year over Year***
Quarterly Seasonality	**20%**	**19%**	**28%**	**33%**		
Pro Rata	**$44 m**	**$42 m**	**$60 m**	**$71 m**	**$217 m**	**17%**
Actual	**$47 m**	**$42 m**				
Distributable Cash After Customer Replacement						
Quarterly Seasonality	**19%**	**17%**	**29%**	**35%**		
Pro Rata	**$28 m**	**$26 m**	**$44 m**	**$54 m**	**$152 m**	**17%**
Actual	**$30 m**[1]	**$25 m**				

[1] Excludes $2.8 million tax recovery.

As you can see, after two quarters we are at a pace that would see us meet our guidance for the year. Our ability to actually do so will be dependent on some factors beyond our control such as another record warm winter.

Our payout ratio after customer replacement is higher year over year, up, from 91% in Q2 last year to 109% this year. This is due to two factors, firstly, the greater seasonality this year versus last and, secondly, the inclusion of a tax recovery last year. Without this recovery, Q2 F2006 would have shown a 100% payout ratio. After all marketing, our ratio was 141% up from 116% for the prior comparable quarter. Without the tax recovery, the prior comparable period would have been 132% after marketing.

Our payout ratio for the first six months was 95% after customer replacement versus 89% last year (91% excluding the tax recovery). Management is comfortable that the payout ratios on an annual basis will be within the target ranges of 75%-80% for payout ratio after customer replacement and less than 100% for the payout ratio after the deduction of marketing expenses.

Regarding the second quarter results, CEO Brennan Mulcahy stated: “In our Annual Report and again in our First Quarter Report, I provided guidance indicating that management expects our margin and distributable cash to grow between 15% and 20% this year. Given the uncertainty in the Trust sector following the announcement of the Federal Government proposal to tax Income Trust distributions, I felt it would be useful to clearly reaffirm Management guidance for the remainder of this year.”

“Because of the matched nature of our supply and demand plus the lead time required for customers signed during the remainder of the year to flow, we have a clear picture of our gross margin for Q3 and Q4. As our G&A and marketing costs are reasonably predictable, management has a similarly clear view of distributable cash through to March 31, 2007. This view is based on normal winter weather and there inevitably will be some balancing adjustments (up or down) to reach the final number. That said, based on results to date, Management believes that year end results will be in line with our published guidance.”

“Regarding our marketing results, clearly additions in the Illinois and New York are lagging the rates necessary to reach our U.S. target. At the same time, additions in Canada are well ahead of pace to meet Canadian targets. We stand at 47% of our 475,000 gross addition and 307,000 net addition targets after six months. While we are disappointed in U.S. results to date, we believe that changes to our customer credit policy in Illinois and the potential introduction of a Contest Period in New York will bring improved results in these markets for the second half of the year. Our independent sales agents tell us that the customers in Illinois and New York are as receptive to our long term fixed contracts as are customers in Ontario. If this holds true, the United States will be an Energy Savings growth market for decades to come.”

Executive Chair Rebecca MacDonald commented on the Federal Government's proposal to tax Income Trust distributions: “I am gravely disappointed by the Government’s proposal on Trust taxation. While I fully understand the need to halt the total conversion of corporate Canada to the Trust structure, I believe this could have been accomplished without the substantial damage to the value of existing Trusts. Many Trusts, including ours, have never operated in the corporate form. Energy Savings chose to go public as a Trust not in an attempt to reduce corporate tax but rather to highlight our unique ability to both grow very rapidly and payout substantial cashflow. The measures as proposed would deny us access to capital and essentially force us to convert to a corporation.”

”The rationale provided for not “grandfathering” existing Trusts is that Canadian capital is being channeled away from growth industries toward low-growth income trusts, harming our long term national competitiveness. Let us examine this in our context. The deregulation of utility services is sweeping across North America. It has been and continues to be one of the highest growth sectors of the economy. Energy Savings, a Canadian founded and owned company, is a North American industry leader in this growing market. We have had compound growth in sales and cash flow of over 40% per year for the five years since we went public. We have delivered exceptional returns to our Unitholders over the same period. Energy Savings is exactly the type of company the Government should encourage the capital markets to support. Constraining future conversions does not require prejudicing existing entities invested in and operated in good faith for years."

"At this writing, Energy Savings units are down almost 20% on this news. Logic would suggest that a tax on distributions four years out should most harm low growth Trusts whose value stems predominately from their distribution rate rather than capital gain generated by growth. Market analysts have consistently rated Energy Savings as one of the fastest growing Canadian Trusts in both the near and longer term. Nothing in this announcement changes our growth plans or expectations. As well, unlike many other Trusts, we have no long term debt which could threaten the stability of a Trust as it adjusts to a new tax regime. This should further reinforce our value."

"I am optimistic that the market will recognize that Energy Savings' value as a unique growth/income vehicle remains intact and that the market price lost last week will be recovered. Your management team will do everything within its power to see that this happens."

Ms. MacDonald added: "Energy Savings is a unique growth Trust. Our track record is tangible in terms of the 23 distribution rate increases seen by our Unitholders over the past five years. While our operating performance is strong, all things considered an increase in distribution rate would be imprudent at this time. Historically, as our customer base and cashflow has grown, our distributions have increased. I do not anticipate that changing in the future."

The Fund

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

Non GAAP Measures

Management believes the best basis for analyzing both the Fund's operating results and the amount available for distribution is to focus on amounts actually received ("seasonally adjusted"). Seasonally adjusted analysis applies solely to the Canadian gas market (excluding Alberta). In Canada (excluding Alberta), Energy Savings receives payment from the LDCs upon delivery of the commodity not when the customer actually consumes the gas. Seasonally adjusted analysis eliminates seasonal commodity consumption variances and recognizes amount available for distribution based on cash received from the LDCs.

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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