

**TSX: SIF.UN**

- **FOR IMMEDIATE RELEASE**

**PRESS RELEASE**

**ENERGY SAVINGS INCOME FUND -  
ANNOUNCES SPECIAL DISTRIBUTION OF \$0.38 PER/UNIT -  
PAYABLE IN 2008**

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TORONTO, ONTARIO – December 18, 2007 – Energy Savings Income Fund (the “Fund”) announced today that in addition to the regular monthly cash distribution of \$0.10083 per unit payable to unitholders on December 31, 2007, it has declared a special distribution which it currently estimates will be in the amount of \$0.38 per unit payable in 2008 (as described below), to unitholders of record at the close of business on December 31, 2007. The special distribution is greater than the previously disclosed range of \$0.33 to \$0.37 per Unit. The amount is based on income generated by the Fund for the year ended December 31, 2007.

The special \$0.38 distribution will be payable as to 50% in cash (\$0.19 – payable as to 1/3 thereof or approximately \$0.06333 per unit on the last day of each of January, February and March in 2008) and 50% in units of the Fund (\$0.19 – payable as to 1/3 thereof or approximately \$0.06333 per unit by the issue of units as to 1/3 thereof on the last day of June, September and December in 2008) based on the closing TSX market price for units of the Fund on December 31, 2007. No fractional units will be issued. Part of the distribution is being paid in units to retain balance sheet strength to fund the future growth of the Fund.

By making all of the Fund’s taxable income that has not yet been distributed payable to its unitholders, the special distribution ensures, as required by its Amended and Restated Declaration of Trust, that the Fund will not be liable to pay income taxes in respect of its current taxation year ending December 31, 2007. The special distribution has been necessitated primarily as a result of the successful performance of the Fund during 2007.

If unitholders of the Fund do not approve the special resolution at the December 20, 2007 special meeting then, as presently required by the Fund’s Declaration of Trust, immediately after the issuance of the special distribution units, the outstanding units of the Fund will be consolidated such that the number of units will remain unchanged from the number outstanding immediately prior to the issue of such special distribution units.

The Fund will know before the end of January 2008 the exact amount of the Fund’s undistributed income on hand at December 31, 2007. Accordingly, a follow up press

release will be issued before the end of January either confirming the amount of the special \$0.38 distribution or indicating a different amount and the related changes in cash and units payable to unitholders in 2008.

### **Income Tax Implications**

The special distribution is intended to ensure that the Fund will not be liable to pay income tax under Part I of the Income Tax Act for 2007. In general, taxable Canadian residents who hold Units will be required to include the special distribution in income for their 2007 taxation year on the basis that the unit portion of the distribution will be valued based on the TSX closing market price for units on December 31, 2007.

Non-resident holders of the units will be subject to applicable Canadian withholding tax on the whole \$0.38 special distribution. For taxable United States residents who hold Units, the amount of the unit portion of the distribution should not be included in income nor should it be included in the adjusted cost base of the units held for U.S. income tax purposes.

Comments on the tax implications of the special distribution are provided as general information only. They are not intended to be legal or tax advice to any particular unitholder. All unitholders should consult legal, business and tax advisors about the tax implications of the special distribution.

### **The Fund**

Energy Savings' business, which is conducted in Ontario, Manitoba, Alberta, Quebec, British Columbia, Illinois, New York, Indiana and Texas, involves the sale of gas and electricity to residential, small to mid-size commercial and small industrial customers under long term fixed price contracts. By fixing the price of natural gas or electricity under its fixed price or price protection program 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 attrition, 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, rates of customer attrition, 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](http://www.sedar.com) or through the Fund's website at [www.esif.ca](http://www.esif.ca)

The Toronto Stock Exchange has neither approved nor disapproved of the contents of this release.

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