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PRESS RELEASE

Institutional Shareholder Services Withdraws Negative Vote Recommendation regarding Amendments to Energy Savings' Unit Appreciation Rights (UAR) Plan

TORONTO, ONTARIO - - June 26, 2007 - -

Following discussions between Energy Savings Income Fund ("Energy Savings" or the "Fund") and Institutional Shareholder Services Canada Corp. ("ISS Canada"), the Board of Directors of Energy Savings have agreed to seek Unitholder approval to amend the provisions of the Fund's UAR plan to ensure that, should such be proposed at some future date, the Board of Directors must first seek Unitholder approval before issuing UARs to outside Directors or Trustees and/or before extending the exercise period of any UARs beyond ten years from issuance. In response to the changes noted above, ISS Canada has changed its voting recommendation on the amendments to the UAR plan from ***Against*** to ***For***.

Brennan Mulcahy, CEO of Energy Savings, stated: "We are pleased to have reached this understanding with ISS. We have structured our UAR plan to meet and exceed corporate governance standards. The fact that senior management has consistently accepted UARs in lieu of cash bonuses demonstrates the alignment of management's interests with those of our Unitholders. Further, management intends to continue to build unit ownership by taking UARs in lieu of cash within our bonus plan. The proposed amendments will allow us to do this. The changes suggested by ISS are entirely consistent with the intention of the plan and we are pleased to implement them. I would ask that any Unitholders who, based on the ISS Canada's recommendation, have voted by proxy against the proposed UAR plan amendments consider supporting the proposal at our Annual and Special Meeting on Thursday June 28, 2007."

The Fund

Energy Savings' business involves the sale of natural gas and electricity to residential, small to mid-size commercial and small industrial customers under long-term, irrevocable fixed price contracts (price protected for electricity). Energy Savings offers natural gas in Manitoba, Quebec, British Columbia, Illinois

and Indiana and both gas and electricity in Ontario, Alberta and New York as well as electricity only in Texas. By securing the price for natural gas or electricity under such contracts for a period of up to five years, Energy Savings' customers reduce or eliminate their exposure to changes in the price of these essential commodities.

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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