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PRESS RELEASE

Energy Savings announces 24th Distribution Rate Increase

\$0.03 Increase to \$1.035 per Annum Effective December Distribution

TORONTO, ONTARIO - - December 6, 2006 - -

Energy Savings Income Fund announced that the Fund's Board of Directors approved, effective the distribution paid December 31, 2006, an increase in the annual distribution rate on the Fund's units to \$1.035 per unit or \$0.08625/unit per month. This is the 24th increase since the Fund's IPO in April 2001.

Ms. Rebecca MacDonald, Executive Chair of Energy Savings, stated: "We have been concerned about the negative impact that the Federal Government's announcement of proposed taxation of Trust distributions has had on the capital markets generally and Energy Savings' units in particular. Nevertheless, we have a solid growth business which continues to thrive regardless of the tax regime. Based on the Government's proposals as they have been articulated, at this time we have no reason to alter our distribution policy which calls for increases as our cash flow grows."

"Our fiscal 2007 operating results have, to date, been consistent with our published guidance of 15% to 20% growth in both gross margin and distributable cash. Given the predictability of our business, our Board has approved a further increase of \$0.03 per year effective the December distribution payable to Unitholders on record as at December 15, 2006. This is the third such increase during fiscal 2007."

CEO Brennan Mulcahy added: "As discussed on our recent conference call following the announcement of our second quarter results, Energy Savings is reviewing its long term options for its corporate tax structure. Our initial analysis indicates that Energy Savings' units are currently undervalued regardless of whether we are structured as a trust or a corporation on a go forward basis. It is the obligation of management to maximize the long-term value of our equity regardless of form and Unitholders should be assured that we will do so. Given the growth that we anticipate in the coming years, Unitholders should expect a

proactive response once the details of the Government's tax proposals are finalized.”

Ms. Macdonald added: “Energy Savings remains a unique business which generates both predictable reliable cash flow and substantial growth. Both Brennan Mulcahy and I are significant Unitholders and we continue to believe that once the Trust tax situation is clear, the markets will again focus on the underlying value of individual companies. Our fundamentals remain as strong today as at any point in our successful history. This distribution increase is evidence of that belief.”

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 and small commercial 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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