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PRESS RELEASE

**Energy Savings Reports First Quarter Results –
Most Successful Marketing in Fund History
Distributable Cash up 16%**

TORONTO, ONTARIO - - August 11, 2005 - -

Highlights for the first quarter ended June 30, 2005 included:

- The most successful marketing in Fund history with gross additions of 93,000, up 35% versus the first quarter of fiscal 2005. Energy Savings is on track to meet its 350,000 annual target prior to the entry into the New York market.
- Gross margin (seasonally adjusted) of $42.7 million up 18% year over year.
- Premarketing distributable cash of $32.3 million ($0.30 per unit) up 16% year over year. .
- Net income of $11.1 million ($0.11 per unit) up 97% from $5.6 million ($0.05 per unit) year over year.
- Distributions up 10% year over year. Distribution rate increased to $0.915 per unit effective the September distribution.
- Successful final systems testing for entry into New York market in Q2.
- Acquisition of 50,000 long term Ontario electricity customers from EPCOR adding to our base in this high growth market.
- 20th distribution increase to $0.915 per unit effective the September distribution

Energy Savings First 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 months ended June 30, 2005.

Three months ended June 30, ($ millions except per unit)	F2006	Per Unit	F2005	Per Unit
Sales [1]	$263.0		$203.5	
Gross Margin [1]	42.7	$0.40	36.3	$0.34
Distributable Cash[1]				
- Premarketing	32.3	$0.30	27.8	$0.26
- Post Marketing	21.6	$0.20	18.9	$0.18
Distributions	23.5	$0.22	21.3	$0.20
Long Term Customers	1,336,000		1,045,000	

[1] Seasonally adjusted

The first quarter of fiscal 2006 showed the results of the groundwork laid over the past 18 months. Expenditures on systems and general and administrative infrastructure for new markets have stabilized and the first material cashflow from those markets is being received. Our gross margin from customers was up 18% year over year reflecting a growth in our customer base as well as continued above target per customer margins for both gas and electricity.

The best measure of our financial performance, premarketing distributable cash, was up 16% year over year. At the Fund's last annual meeting, Unitholders approved a corporate reorganization which will likely, if a Canada Revenue Agency ruling is received, substantially reduce income taxes payable in future periods. While waiting for the ruling, the Fund continues to take steps to minimize tax leakage from its operating companies.

It is important for investors to note that Energy Savings business is becoming more seasonal as sales in Alberta and the United States grow. In these markets, Energy Savings is paid following customer consumption rather than upon the equal daily delivery of the commodity to the local distribution company as in Ontario. The result is that margin and cashflow peak in the winter (Q3 and Q4) reflecting higher periods of gas consumption. For example, Q1 margin in the United States was less than $1 million despite the fact that locked in contractual margin from customers in place will exceed $10 million for the year. The vast majority of this margin will be received in Q3 and Q4.

Marketing was the key highlight for the quarter. Our customer aggregation totals were up 35% from Q1 of fiscal 2005. The reopening of the small commercial segment of the Ontario electricity market in May resulted in very strong aggregation numbers. The 40,000 electricity customers added in one quarter represents 40% of our published target for the year. The residential electricity market in Ontario is expected to open in our third quarter.

Entry into the Alberta market allowed the Fund to exceed its target pace for non-Ontario markets. While Quebec and B.C. are commercial-only markets (with limited growth potential), Energy Savings sells to both residential and commercial customers in Alberta. The Fund's Alberta "Dual Fuel" (combined electricity/gas) offering is being accepted by the vast majority of customers.

When the Ontario residential electricity market reopens, our agents will be offering an Ontario "Dual Fuel" package which should bring gas aggregation totals to our published target.

Illinois generated 15,000 customers in the quarter. Management is confident that the entry into a second Illinois utility territory, Peoples Energy and the entry into New York by the end of Q2 will result in accelerating additions in the United States.

Market	Published Target	F2006 Q1 Additions	% of Target	F2005 Q1 Additions
Ontario – Gas	80,000	17,000	21%	32,000
Other provinces - Gas	70,000	21,000	30%	9,000
United States	100,000	15,000	15%	5,000
Electricity	100,000	40,000	40%	23,000
Total	350,000	93,000	27%	69,000

Overall, additions were 93,000 versus 69,000 (up 35%) from the comparable quarter last year. Over and above customers added through marketing were 50,000 Ontario electricity customers acquired from EPCOR.

CEO Brennan Mulcahy stated: "In our Annual Report, I provided guidance indicating that management expects our margin to grow between 15% and 20% this year and that our premarketing distributable cash should grow by a comparable amount subject to receipt of a favourable tax ruling from the CRA allowing our tax reorganization. After the first quarter, gross margin is up 18% year over year and distributable cash is up 16%. Following in Rebecca's footsteps, it is my expectation that Energy Savings will continue to deliver on our promises."

Executive Chair Rebecca MacDonald added: "I am happy with our first quarter results. Brennan's marketing team delivered like they always do. I know what it takes to sign a customer at the door and 93,000 new customers in three months is an amazing performance. With an Ontario "Dual Fuel" package and our entry into New York both upcoming, the outlook for the remainder of the year looks bright."

Mr. Mulcahy added: "When we look at the United States, we see a growth market for the next 10 years. We carefully plan prior to entry into any market and we do not start a new market until the first is operating smoothly. Deregulation and long term utility contracts are relatively new concepts south of the border. Our regulatory staff and agents spend considerable time and effort educating U.S. regulators and consumers on the benefits of locking in a long term price."

"While it is still early going, the "jury is no longer out". We have spent approximately $13 million to date on our Illinois and New York entries. At the end of Q1, we have locked in contractual margins of more than $40 million over the next five years. These economics will continue and our growth will continue in the United States for years to come."

The Fund

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

FOR FURTHER INFORMATION, PLEASE CONTACT:

Ms. Rebecca MacDonald
Executive Chair
Phone: (416) 367-2872

Mr. Brennan Mulcahy
Chief Executive Officer
Phone (905) 795-4200

or

Mr. Ken Hartwick, C.A.
Chief Financial Officer
Phone: (905) 795-3557