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PRESS RELEASE

JUST ENERGY INCOME FUND TO CONVERT TO A CORPORATION

**DIVIDEND AT \$0.1033 PER MONTH (\$1.24 PER YEAR),
EQUAL TO CURRENT DISTRIBUTION**

TORONTO, ONTARIO - - February 3, 2010 - -

Just Energy Income Fund (“Just Energy”) announced today that it plans to reorganize its income trust structure into a high dividend paying corporation. It is currently anticipated that Unitholders will be asked to approve by way of a plan of arrangement (the “Arrangement”) the reorganization at the Fund’s annual and special meeting of Unitholders scheduled for June 29, 2010.

Upon completion of the reorganization, the board intends to implement a dividend policy where monthly dividends will be initially set at \$0.1033 per share (\$1.24 annually) equal to the current distributions paid to Just Energy Unitholders.

The Federal Government’s announcement on October 31, 2006 of the pending imposition of a tax on income trusts effective 2011 caused Just Energy to analyze options which would maximize Unitholder value for the long term. The conclusion of the analysis was that conversion to a high dividend paying corporation was the optimal option available to the benefit of the Unitholders of the Fund. Management believes that the proposed reorganization offers a number of benefits:

- The conversion to a corporation will result in a lower overall tax burden for Just Energy versus payment of the trust tax commencing January 1, 2011.
- The unique nature of Just Energy as a high growth company with high return on invested capital allows it to pay both a substantial yield and continue to grow. This remains true regardless of whether Just Energy is an income fund or a corporation. The receipt of \$1.24 per year in dividends will result in a substantially higher after tax cash return than that of \$1.24 in distributions for most taxable Canadian Unitholders.
- As a corporation, Just Energy should have greater access to capital markets to the extent that issuance of equity should be required for growth through acquisition.
- Limitations under the proposed tax on undue expansion of trusts and foreign ownership limitations on trusts will no longer apply to Just Energy.

- The high dividend yield as a corporation combined with Just Energy's growth prospects will focus market attention on the value of Just Energy shares.

In anticipation of the need for conversion, the Fund has not increased its rate of distribution since early 2008 despite substantial growth in its business. Distributions have been maintained by Just Energy at \$0.1033 per month (\$1.24 annually) supplemented by annual Special Distributions (\$0.20 payable January 31, 2010 being the most recent.) The decision not to continue distribution increases and the continued growth of Just Energy have given the Fund the flexibility to continue to pay a dividend equal to the current monthly distributions following the reorganization. This ability makes full allowance for the payment of tax by Just Energy and does not rely on a merger with a tax loss bearing company.

Approval Process

Management anticipates that the details of the proposed Arrangement will be provided to Unitholders with the annual meeting materials expected to be mailed by June 3, 2010. The units of the Fund held by Unitholders will be transferred to a corporation (the "Corporation") in consideration for common shares on the basis of one common share for each unit transferred. It is expected that the reorganization will be completed on a tax-free rollover basis, subject to filing any required tax elections.

The Arrangement will be subject to the approval by not less than two-thirds of the votes cast by Unitholders, voting in person or by proxy at the annual and special meeting of Unitholders scheduled to be held on June 29, 2010. The Arrangement will also be subject to Court approval, stock exchange approval and other necessary approvals. The Corporation will apply to the Toronto Stock Exchange for the listing of its common shares and Just Energy will seek the delisting of its units following completion of the Arrangement.

Convertible debentures originally issued by Universal Energy Group ("Universal") which trade under Just Energy Exchange Corp. ("JEEC") on the Toronto Stock Exchange will be convertible into common shares of the Corporation pursuant to the terms thereof.

Exchangeable shares issued by JEEC on the acquisition of Universal will be exchanged on a tax free rollover basis one for one into shares of the Corporation under the Arrangement if holders approve their participation in the Arrangement, which approval must be given by the holders of not less than two-thirds of the votes cast by holders of exchangeable shares, voting in person or by proxy at a meeting of the exchangeable shareholders. In this regard, it is anticipated that a special meeting of the holders of the exchangeable shares will be held on June 29, 2010 immediately following the annual and special meeting of Unitholders.

Rebecca MacDonald, Executive Chair of Just Energy, said: "This is a major step forward for Just Energy. We have advised our Unitholders of our intention to convert to a corporate structure for several quarters and stated that we hoped to be able to do so without the need to reduce the pretax monthly cash received whether it is in

the current form of distribution or the future form of monthly dividends. I am pleased to say we should be able to do so.”

“By ceasing our regular increases in our distribution rate, we were able to “grow through” our expected tax payment such that we should be able to pay full tax and maintain the \$1.24 dividend rate. Our future dividend policy will be dependent on our future growth and cash requirements as well as future tax rates.”

Ken Hartwick, CEO of Just Energy, added: “Unitholders will be aware that effectively all other trusts announcing their conversion to corporate structure have done so in combination with a cut to their payout, often a substantial cut. Those few who have been able to maintain their rate of distribution as a dividend have generally relied on a merger with companies bearing large tax losses. We have maintained our distribution rate when we begin paying a dividend through our growth and profitability.”

“A number of factors have contributed to our ability to make this announcement today. First and foremost is the continued growth of Just Energy, even through the current recession. Our acquisition of Universal and the combination of our energy marketing businesses has gone smoothly and should be accretive to our Unitholders. The conclusion of our recently announced National Home Services water heater financing agreement with Home Trust Company allows our high growth water heater rental business to effectively self finance rather than rely on advances for capital requirements from Just Energy. This eliminates this financing uncertainty from our dividend policy. Just Energy remains in very sound financial condition as it approaches conversion.”

The Fund

Just Energy’s business involves the sale of natural gas and/or electricity to residential and commercial customers under long-term fixed-price and price-protected contracts. By fixing the price of natural gas or electricity under its fixed-price or price-protected program contracts for a period of up to five years, Just Energy’s customers offset their exposure to changes in the price of these essential commodities. Just Energy, which commenced business in 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 associated volumes from its suppliers.

The Fund also offers “green” products through its Just Green program. The electricity Just Green product offers the customer the option of having all or a portion of his or her electricity sourced from renewable green sources such as wind, run of the river hydro or biomass. The gas Just Green product offers carbon offset credits which will allow the customer to reduce or eliminate the carbon footprint for their home or business. Management believes that these products will not only add to profits, but also increase sales receptivity and improve renewal rates.

In addition, through National Home Services, the Fund sells and rents high efficiency and tankless waterheaters and, through Terra Grain Fuels, produces and sells wheat-based ethanol.

Tax Implications

Comments on the tax implications of the conversion 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 conversion.

Non GAAP Measures

Adjusted net income (loss) represents the net income (loss) excluding the impact of mark-to-market gains (losses) arising from Canadian GAAP requirements for derivative financial instruments on our future supply positions. Just Energy ensures that customer margins are protected by entering into fixed-price supply contracts. In accordance with GAAP, the customer margins are not marked-to-market but there is a requirement to mark-to-market the future supply contracts. This creates unrealized gains (losses) depending upon current supply pricing volatility. Management believes that these short-term mark-to-market non-cash gains (losses) do not impact the long-term financial performance of the Fund.

Management also 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 and B.C.). Just Energy 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 the proposed Arrangement (including the proposed structure of the Arrangement, the timing relating to the approval and implementation thereof, the benefits that the Arrangement will have for Just Energy and its securityholders, and the tax effect of the Arrangement on Just Energy and its securityholders), the Corporation's proposed dividend policy (including the amount of dividend proposed to be paid and the ability of the Corporation to sustain that dividend) and the current and future state of Just Energy's business (including Just Energy's ability to continue to grow its businesses). 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. Statements relating to

the proposed Arrangement and dividend policy of the Corporation are subject to additional risks, including failure to receive all necessary approvals to complete the Arrangement, changes in laws and regulatory regimes (including tax laws), and Just Energy's ability to not only sustain its existing businesses but to continue to grow its businesses. Additional information on these and other factors that could affect the ability of the Fund to complete the Arrangement, the Fund's operations, financial results or distribution levels, and the Corporation's dividend 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.justenergy.com.

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

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