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PRESS RELEASE

Energy Savings Supports Move to True Cost Power in Ontario

TORONTO, ONTARIO – April 16, 2004 - Energy Savings Income Fund (“Energy Savings” or the “Fund”) announced its support for the Ontario Minister of Energy’s announcement that the Province will be moving to a system reflecting the true cost of power administered by the Ontario Energy Board under legislation expected to pass this fall. The new legislation contemplates complete freedom of choice for all Ontario residents to select either the regulated market price which will be adjusted annually to reflect costs or a long term fixed price electricity contract such as that supplied by Energy Savings.

Rebecca MacDonald, Chief Executive Officer of Energy Savings, stated that: “The new structure for power pricing has been modeled on the very successful natural gas model currently in place in Ontario. Under this regulatory regime, hundreds of thousands of Ontario residences have chosen to switch to the long term, fixed price alternative offered by Energy Savings and its competitors. As soon as the legislation is fully implemented, we will be actively marketing a competitive five year package to provide consumers with the same price certainty and stability they have seen with their gas contracts.”

“Choice is an essential component of any deregulated market. We are very pleased that the Minister has recognized the importance of the availability of choice for all customers within this new regulatory environment.”

The Fund

Energy Savings’ business, which is conducted in Ontario, Manitoba 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 customers under contracts secured prior to the November 11, 2002 price freeze and to certain large volume users who do not fall under the Government’s price cap. 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 eliminate 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. Specifically, this release contains forward-looking estimates of customer aggregation and customer margins for the Illinois natural gas market. Forward-looking 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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