

TSE: SIF.UN

FOR IMMEDIATE RELEASE

PRESS RELEASE

**ENERGY SAVINGS INCOME FUND REAFFIRMS CUSTOMER
GROWTH GUIDANCE AND ANNOUNCES AUGUST
DISTRIBUTION**

TORONTO, ONTARIO – June 29, 2004 - -

Energy Savings Income Fund filed notice with the Toronto Stock Exchange today announcing its August 31, 2004 distribution of \$0.0696 declared June 29, 2004 and payable on August 31, 2004 to the holders of record of Units of the Fund as at the close of business on August 15, 2004. The Units trade on the Toronto Stock Exchange under the symbol “SIF.UN”.

In addition, Fund management reaffirmed their previously published Fiscal 2005 customer aggregation guidance for the Illinois natural gas market, the Quebec and British Columbia gas market, the Manitoba gas market and the Ontario gas and electricity markets. In aggregate, the targets would see gross additions of 260,000 customers and net additions after attrition of approximately 160,000. This would equate to 16% year-over-year customer growth. Management based the reaffirmation on recent levels of marketing success, noting that each market (with the exception of BC where marketing begins in July) is at or ahead of the guidance.

Rebecca MacDonald, CEO of Energy Savings, said: “Because Illinois is our first entry into the US market, many investors have expressed concern that aggregation levels may fall short of those seen in similar market openings in Canada. This has not been the case. I am happy to confirm that our results to date in Illinois are ahead of our internal targets and I am confident that we will achieve 50,000 Illinois additions for the year.”

As regards other markets, Ms. MacDonald added: “In each of our other markets, we are either at or ahead of our expectations. While it is still early in the year, we are off to a promising start.”

The Fund

Energy Savings’ business, which is conducted in Ontario, Manitoba, 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 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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