TSX: SIF.UN

- **FOR IMMEDIATE RELEASE**

PRESS RELEASE

Energy Savings to Enter New York Market

TORONTO, ONTARIO - - May 19, 2005 - -

Energy Savings Income Fund, the Toronto-based marketer of deregulated energy contracts, announced today that it plans to begin marketing deregulated gas and electricity in the State of New York commencing by the fall of 2005. The New York market currently has approximately 4.5 million residential and small business natural gas customers eligible for deregulated supply and approximately 6.3 million eligible electricity customers. The current penetration of both markets by deregulated suppliers is 8% for gas and 6% for electricity. When fully deregulated, New York will be the largest market yet entered by Energy Savings.

Executive Chair Rebecca MacDonald stated: “We had committed to advise our Unitholders when we had made a firm selection of the next United States market we will enter. That decision has now been made and it will be New York. It is the largest market we have entered and there will be a number of challenges. That said, we are very optimistic that we will replicate the success we have had when we previously entered other markets.”

CEO Brennan Mulcahy added: “Our entry into Illinois 14 months ago has been a success. We have built up our salesforce slowly and deliberately and have carefully tested our product. The conclusion is clear. Customers with similar winter gas consumption such as those in Illinois and Ontario have a similar propensity for locking in the price of their supply. This is true for both commercial and residential customers.”

“We were very conservative in our estimations of margin from Illinois customers. We wanted to see a full year’s load balancing and a detailed review of our credit experience before updating our margin target. I am pleased to say that our realized margins were more than C$180 per customer, far higher than our targeted C$120. Combined with exceeding our 50,000 customer aggregation target for last year, the result is that, with the margin we have locked in today, we have already repaid the entire cost of our entry into Illinois.”

“Our regulatory team has carefully reviewed potential markets in the United States. New York stood out not only for its similarity to Ontario but also for its excellent regulatory environment. There is a clear government push to foster competition in energy supply and the regulator is very supportive of our entry into the market. New York has very low current penetration in both electricity and natural gas and, of those who have switched, very few are on long term fixed price contracts. This is an excellent market dynamic for our salesforce."

Ms. MacDonald added: "Unitholders should expect a slow, steady ramp-up very similar to what they have seen in Illinois. By first building a solid base, I believe that both New York and Illinois can be significant growth markets for Energy Savings for the next decade."

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.

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