TSE: SIF.UN

FOR IMMEDIATE RELEASE

PRESS RELEASE

ENERGY SAVINGS REPORTS SECOND QUARTER RESULTS

RECORD NEW CUSTOMER AGGREGATION

MANAGEMENT CONFIRMS PUBLISHED GUIDANCE FOR YEAR

TORONTO, ONTARIO – November 7, 2005 --

Highlights for the second quarter ended September 30, 2005 included:

- Record levels of new customer additions. Gross customer additions were 102,000, up 10% from the prior record of 93,000 realized in Q1. Year over year, additions were up 29%.
- Gross margin (seasonally adjusted) of $39.3 million down 1% year over year.
- Premarketing distributable cash of $31.5 million ($0.29 per unit) down 4% year over year.
- Distributions of $0.22 up 9% year over year.
- Net income of $9.4 million ($0.09 per unit) up from a loss of $2.8 million (loss of $0.03 per unit). For the six months, net income was $20.5 million ($0.19 per unit) up from $2.9 million ($0.02 per unit). Net income in F2006 was aided by a tax recovery.
- Completion of successful test marketing allowing entry into the New York natural gas and electricity markets.
- Based on marketing success year to date, management maintains its published guidance of 15% to 20% margin growth for fiscal 2006 but revises guidance to slightly above this range for premarketing and post-marketing distributable cash.

Energy Savings' Second 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 and six months ended September 30, 2005.

Three months ended September 30, ($ millions except per Unit)	F2006	Per Unit	F2005	Per Unit
Sales [1]	$270.9		$203.6	
Gross Margin [1]	39.3	$0.37	39.3	$0.37
Distributable Cash[1]				
Premarketing	31.5	$0.29	32.8	$0.31
Post Marketing	20.8	$0.19	22.1	$0.21
Distributions	24.0	$0.22	22.1	$0.21
Six months ended September 30, ($ millions except per Unit)	**F2006**	**Per Unit**	**F2005**	**Per Unit**
Sales [1]	$533.9		$407.0	
Gross Margin [1]	82.0	$0.77	75.5	$0.71
Distributable Cash[1]				
Premarketing	63.8	$0.60	60.6	$0.57
Post Marketing	42.3	$0.40	41.0	$0.39
Distributions	47.5	$0.44	43.5	$0.41
Long Term Customers	1,327,000		1,096,000	

[1] Seasonally adjusted

The second quarter of fiscal 2006 continued to build on the base built for new markets in fiscal 2005. The Energy Savings' marketing team again set a new benchmark for customer additions. A total of 102,000 new customers were signed by our agents, 29% more than the comparable period in fiscal 2005 and 10% more than the record set in Q1.

Marketing success was led by the continued strength of the Ontario commercial electricity market. A total of 45,000 new electricity customers were signed despite the fact that Ontario residential test marketing will only begin in Q3.

Market	Published Target	F2006 Q2 Additions	F2006 YTD Additions	% of Target	F2005 Q2 Additions
Ontario Gas	80,000	15,000	32,000	40%	21,000
Other provinces Gas	70,000	22,000	43,000	61%	29,000
United States	100,000	20,000	35,000	35%	16,000
Electricity	100,000	45,000	85,000	85%	13,000
Total	350,000	102,000	195,000	56%	79,000

Our US operations generated 20,000 customers in the quarter up from 15,000 in Q1. Our entry into two new Illinois utility territories during the later half of the second quarter and New York beginning in Q3 should allow continued acceleration of our US additions. With agent ramp-up continuing, management is confident that the 100,000 target for the fiscal year will be achieved.

Overall, additions are ahead of pace with 195,000 customers added in six months versus an annual target of 350,000. This target was 35% higher than the fiscal 2005 target and 21% higher than the record 290,000 new customers realized in that year. Management continues to believe that the fiscal 2006 annual target will be realized.

From a financial point of view, the quarter reflected the greater seasonality expected as more and more customers are added in Alberta and Illinois. Margins were flat year over year with premarketing distributable cash down slightly. These results lagged our customer growth due to two primary factors, bad debt expense in Illinois and electricity balancing costs for two acquired books of business, First Source and EPCOR. Bad debts are a material factor in Illinois' profitability. While these costs have been factored into our $140 annual target margin, the very careful customer screening necessary results in lower contract acceptance rates than in other markets. The electricity balancing costs relate to the nature of the contracts acquired and are detailed in Management's Discussion and Analysis appended to this release.

Overall, the financial impact of the record customer additions will begin to be seen in Q3 and Q4 of this year. This combined with normal seasonality should, in management's estimation, result in growth rates consistent with the Fund's published guidance. The Fund's payout ratios which were 76% premarketing and 116% post marketing for the quarter, are also expected to return to target levels of 65%-70% and under 100% respectively, on an annual basis.

Executive Chair Rebecca MacDonald noted: “Once more, our marketing team has beaten the previous record for customer additions. For the first time, we have signed over 100,000 customers in one quarter. To place this in perspective, Energy Savings took four years to sign its first 200,000 customers. We equaled half that total in the last three months. Congratulations to Brennan and his marketing team.”

CEO Brennan Mulcahy stated: “In our Annual Report and again in our First Quarter 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. Given the uncertainty in the Trust sector following the September 19, 2005 statement by the Minister of Finance and the fact that fiscal 2006 is the first year in which our results show significant seasonality, we thought it would be useful to clearly reaffirm management guidance for the remainder of this year.”

“Because of the matched nature of our supply and demand plus the lead time required to flow customers signed during the remainder of the year to flow, we have a clear picture of our gross margin for Q3 and Q4. As our marketing and general and administrative costs are reasonably predictable, management has a similarly clear view of cashflow through to March 31, 2006. The cashflow is based on normal weather and there inevitably will be some balancing adjustments (up or down) to reach the final number.”

“The analysts following Energy Savings have estimates in the following ranges:

Measure	Analyst Estimate Range	F2005 Actual
F2006 Gross Margin:	$196 to $206 million	$163.7 million
F2006 Premarketing Distributable Cash	$150 to $169 million	$124.0 million
F2006 Post-Marketing Distributable Cash	$105 to $129 million	$ 84.0 million

Management is comfortable with estimates for the year as follows:

Measure	Management Expectation	Bottom of Range Growth vs. F2005
F2006 Gross Margin:	Slightly below bottom of range	20%
F2006 Premarketing Distributable Cash	At or above bottom of range	21%
F2006 Post-Marketing Distributable Cash	At or above bottom of range	25%

As can be seen from the above, we remain confident that our margin growth will be in the 15% to 20% which is our previous published guidance. We currently believe that both our premarketing and post-marketing distributable cash will be slightly higher than the 15% to 20% range of our published guidance.”

Ms. MacDonald added: “Energy Savings is a unique growth Trust. Our very high return on invested capital allows us to grow both our business and our distributions. While the current uncertainty surrounding Trust taxation makes an increase in distribution rate imprudent, as Brennan has pointed out, we remain confident about our cashflow growth as well as customer growth. Historically, as our customer base and cashflows have grown, our distribution rate has increased. I do not anticipate that changing in the future."

The Fund

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