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PRESS RELEASE

**Energy Savings Reports First Quarter Results –
Record New Customer Additions – up 38% Year over Year
Distributable Cash up 22%**

TORONTO, ONTARIO - - August 10, 2006 - -

Highlights for the first quarter ended June 30, 2006 included:

- The most successful marketing in Fund history with gross additions of 128,000, up 38% versus the first quarter of fiscal 2006. Energy Savings is on track to meet its 475,000 annual target.
- Gross margin (seasonally adjusted) of $48.1 million, up 13% year over year.
- Distributable cash after customer replacement of $33.3 million ($0.31 per unit), up 22% year over year.
- Distributions up 9% year over year. 22nd and 23rd distribution increases to $1.005 per unit effective the August payment announced during the quarter.

Energy Savings First 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 months ended June 30, 2006.

Three months ended June 30, ($ millions except per unit)	F2007	Per Unit	F2006	Per Unit
Sales [1]	$321.2		$263.0	
Gross Margin [1]	48.1	$0.45	42.7	$0.40
Distributable Cash[1]				
After customer replacement	33.3	$0.31	27.2	$0.25
After marketing expenses	24.3	$0.23	21.6	$0.20
Distributions	25.6	$0.24	23.5	$0.22
Long Term Customers	1,588,000		1,272,000	

[1] Seasonally adjusted

The first quarter of fiscal 2007 showed continued solid operating results by Energy Savings. Our gross margin was up 13% year over year as a result of a 25% increase in long term customers. The majority of our customer additions are electricity customers for which the lowest cashflow quarter is Q1 resulting in lower gross margin growth than customer growth. The best measure of our financial performance, distributable cash after customer replacement, was up 22% year over year. While the increase was aided by a tax recovery, Energy Savings' previously announced restructuring minimized and will continue to minimize any Canadian tax payable. The 22% increase is clearly on track for our target increase of 15% to 20% for the year and is reflective of the strong aggregation results in the prior year.

It is important for investors to note that Energy Savings business is becoming more seasonal as sales in Alberta and the United States grow. In these markets, Energy Savings is paid following customer consumption rather than upon the equal daily delivery of the commodity to the local distribution company as in Ontario. The result is that margin and cashflow peak in the winter (Q3 and Q4) reflecting higher periods of gas consumption. This seasonality was clearly reflected in the Fund's fiscal 2006 results.

As in past quarters, marketing was the key highlight for the quarter. Our customer aggregation totals were up 38% from Q1 of fiscal 2006. The gross additions of 128,000 were the highest in Energy Savings' history. After all attrition and loss on renewal, the Fund's customer base reached 1,588,000, up 25% in the past year. Electricity was again the leading growth market with Alberta gas also showing strong results. The Fund has added 27% of its published target of 475,000 new customers in the first quarter.

The Fund announced two distribution increases during the quarter, from $0.945 to $0.975 per unit effective the July payment and to $1.005 per unit effective the August payment. These were the 22nd and 23rd distribution increases since the Fund's IPO in 2001.

Market	*Published Target*	*F2007 Q1 Additions*	*% of Target*	*F2006 Q1 Additions*
Ontario Gas	50,000	14,000	28%	17,000
Rest of Canada Gas	60,000	23,000	38%	21,000
Electricity	175,000	67,000	38%	40,000
Total Canada	285,000	104,000	36%	78,000
Gas	100,000	17,000	17%	15,000
Electricity	90,000	7,000	8%	N/A
Total U.S.	190,000	24,000	13%	15,000
Combined	475,000	128,000	27%	93,000

CEO Brennan Mulcahy stated: "From the inception of Energy Savings, our goal has been to provide our investors the benefit of predictable, profitable growth. Each year we have published growth targets and each year we have met or exceeded those targets. The reason is two fold. First is our laser focus on our core strength – marketing natural gas and electricity contracts. Our team of independent sales agents consistently does a remarkable job and this quarter is clearly no exception. Second, while we market aggressively, we manage the remainder of our business conservatively. Operating costs are watched closely and our commodity match position is subject to careful daily review. I believe it is this concentration on business detail that has allowed us to maintain our profitability despite our remarkable growth rate."

"Our first quarter shows that we continue to deliver as expected. At 128,000, our customer additions are the highest quarterly total in Energy Savings' history. We are already ahead of pace to meet our annual target of 475,000 additions for fiscal 2007. Despite some operational challenges in the U.S., management believes that the aggregation target will be achieved as marketing efforts will ramp up in the fall. Our profitability was right in line with distributable cash up 22% for the quarter versus our annual target of 15% to 20%. While we benefited from a tax recovery, increased margins reflected the 25% growth in customers over the prior year.

Executive Chair Rebecca MacDonald added: "We have completed another excellent quarter. We forecast record results from our independent sales agents and they are delivering. We forecast substantial growth in distributable cash and our operations team is delivering. We forecast an annual payout ratio of between 75% and 80% and we delivered. At 77% for the quarter, down from 86% last year, we are in this target range despite the fact that Q1 is seasonally a low quarter for cashflow. Investors can see that the recently announced increase to $1.005 per annum effective the August payment is dearly supported by solid operating results."

Mr. Mulcahy added: "Your management team believes that these results reflect the continued success of our business model. With continued growth in our existing markets and many attractive opportunities in new jurisdictions, we expect further success to be reflected in more customers and higher distributable cash which should result in increased distributions 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.

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