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PRESS RELEASE

Energy Savings Reports First Quarter Results –

Customer Additions up 53% from Q4, Sales up 17%, Margins up 15%, Distributable Cash after all Marketing Expenses up 24% and Net Income up 135%

TORONTO, ONTARIO - - August 9, 2007 - -

Highlights for the quarter ended June 30, 2007 included:

- Customer base reached 1,678,000, up 6% year over year. Gross additions through marketing were 95,000 up from 62,000 in Q4 and 65,000 in Q3.
- Sales (seasonally adjusted) up 17% reaching $374.3 million year over year.
- Gross margin (seasonally adjusted) of $55.3 million up 15%.
- Distributable cash after gross margin replacement of $30.8 million ($0.29 per unit) down 2%.
- Distributable cash of $26.7 million after all marketing expenses up 24%.
- Net income of $25.9 million, up 135% from $11.0 million year over year
- Distributions up 19% year over year ending the quarter at $1.165 per unit with a subsequent increase to $1.21 per unit announced effective the September 30th payment.

Energy Savings Q1 2008 Results

Energy Savings Income Fund announced its results for the quarter ended June 30, 2007.

Three Months ended June 30, ($ millions except per Unit)	F2008	Per Unit	F2007	Per Unit
Sales [1]	$374.3		$321.2	
Gross Margin [1]	55.3	$0.51	48.1	$0.45
Distributable Cash[1]				
After Margin Replacement	30.8	$0.29	31.6	$0.29
Post Marketing	26.7	$0.25	21.5	$0.20
Net Income	25.9	$0.24	11.0	$0.10
Distributions	30.5	$0.28	25.6	$0.24
Long Term Customers	1,678,000		1,588,000	

[1] Seasonally adjusted

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 gross margin from the Fund's customer base.

The first quarter of Fiscal 2008 showed strong financial results. Firstly, customer additions, which had lagged in Q4 and Q3, returned to historical levels at 95,000 for the quarter. The United States led marketing efforts and, for the first time, Energy Savings added more customers in the U.S. than in Canada. Sales and margins were up 17% and 15% respectively reflecting both a 6% net increase in customers and a significant increase in margin per customer.

Distributable cash after gross margin replacement was down slightly year over year. This is due to an increase in the number of customers up for renewal in the quarter, particularly Ontario electricity customers. Customer renewal rates were slightly below target for the quarter (76% versus 80% target for gas and 56% versus 60% target for electricity) after having exceeded target levels in past quarters. Management maintains the existing targets for the fiscal year. Distributable cash after all marketing was up 24% year over year. This increase was four times the 6% net increase in customers due largely to significantly higher margin per customer on those added during the past year.

Distributions were up 19% year over year. The Fund has increased its distribution rate 27 times in the six years since its IPO and has never reduced its distribution rate. With the release of its quarterly results, the Fund also announced the 28th distribution rate increase to $1.21 up $0.045 from $1.165 effective the distribution paid September 30, 2007.

Market	*Q1 F2008 Additions*	*Q4 F2007 Additions*	*Q3 F2007 Additions*	*F2008 Target*	*% of Target*
Canada – Gas	**19,000**	10,000	13,000	100,000	19%
Canada – Electricity	**21,000**	22,000	23,000	115,000	18%
United States – Gas	**35,000**	22,000	18,000	110,000	32%
United States –Electricity	**20,000**	8,000	11,000	90,000	22%
Total	**95,000**	62,000	65,000	415,000	23%

As can be seen from the table above, the Fund is 23% toward its annual target for customer additions after the first quarter. All markets are showing improved independent sales contractor counts. Credit losses in Illinois have been reduced to acceptable levels aiding new additions for that market. Accordingly, Energy Savings management believes that the annual growth target remains reasonable. Customer attrition rates in New York continue to be higher than targeted, adversely effecting net additions. Specific steps taken to improve this situation in light of the institution of the ConEd contest period should result in lower attrition in future periods. Operations in the Texas market began late in the quarter and positive results from this market will also contribute to further improvement in the last half of the fiscal year.

Investors should note that due to a change in GAAP, Energy Savings is required to adjust its equity by the quarterly variance in the mark-to-market value of much of its derivative natural gas and electricity supply as well its gas transportation contracts purchased to match our customer contracts. The adjustment for the mark-to-market variance for the most part does not impact the period income statement. Given that Energy Savings' is committed to $3.9 billion in future commodity purchases, any movement in forward commodity prices will generate a large change in the mark-to-market. In Q1, equity was reduced by $189.6 million to reflect this change. Management believes that quarterly fluctuations of this magnitude both up and down are the likely result of this accounting treatment in future periods. While these entries are driven by the supply arrangements there has been no recognition given to the underlying customer contracts that are the offset to the supply arrangements. Because Energy Savings matches supply to forecast customer consumption and customer contracts are at higher fixed prices, management believes that quarterly mark-to-market fluctuations do not in any way reflect the current or future financial position of the Fund. Investors should note that no current debt or supply contract covenants relate to either retained earnings or other net worth measurements.

As regards the First Quarter, CEO Brennan Mulcahy noted: “We are pleased with our operating results for the quarter. At our recent Annual Meeting, we announced an increase in our published annual guidance to 15% to 20% for both margins and distributable cash. In what is our traditional slow quarter, we saw margins up 15% and distributable cash up 24% year over year. Our net income was up 135% versus Q1 2007. The income in both periods benefited from non-cash income tax recoveries however pretax earnings were also up by 129%. Our strategy of increasing customer margins to offset higher costs has proven to be very successful. Our margins on new customers signed in the quarter exceeded the increased targets we set for this fiscal year.”

“Our independent agents also had a strong quarter. We set our target customer additions at 415,000 for the year (up 19% from our F2007 result) despite weak results in both Q3 and Q4. With 95,000 additions, we are up 53% from our disappointing Q4 total and are on track to meet our target. We are optimistic that this run rate can be maintained or increased as agent counts continue to improve and as we expand in the Texas market later this year. We are also optimistic that new products such as Green electricity and the coming introduction of a carbon-neutral Green natural gas offering will aid customer additions and renewals.”

Chair Rebecca MacDonald added: “I want to congratulate Brennan Mulcahy and his team for a very solid quarter. While it is only one quarter, our marketing additions are in line with our aggressive growth targets. I am particularly pleased to see our United States expansion is taking root as expected. These markets will provide growth to Energy Savings for years to come. ”

“I am also proud to announce our 28th distribution rate increase. Our Unitholders rely upon us to provide reliable and growing income and we plan to continue the double digit growth in payout that they have seen throughout our history.”

The Fund

Energy Savings’ business, which is conducted in Ontario, Manitoba, Alberta, Quebec, British Columbia, Illinois, New York, Indiana and Texas, involves the sale of gas and electricity to residential, small to mid-size commercial and small industrial customers under long term fixed price contracts. By fixing the price of natural gas or electricity under its fixed price or price protection program 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 and B.C.). 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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