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PRESS RELEASE

THIRD QUARTER RESULTS FOR 3 MONTHS AND 9 MONTHS ENDED DECEMBER 31, 2006

CONTINUED GROWTH IN GROSS MARGIN AND DISTRIBUTABLE CASH LOWER THAN EXPECTED CUSTOMER ADDITIONS

MANAGEMENT REAFFIRMS F2007 GUIDANCE – 15% - 20% GROWTH IN GROSS MARGIN AND DISTRIBUTABLE CASH

TORONTO, ONTARIO – February 8, 2007 --

Highlights for the third quarter ended December 31, 2006 included:

- **25th increase in annual distribution rate, to $1.065 payable effective the March 2007 payment**
- **Solid Operating Results**
    - Seasonally adjusted sales – Up 27%
    - Seasonally adjusted gross margin – Up 19%
    - Distributable Cash after Customer Replacement* - Up 6%
    - Distributable Cash after Marketing* - Up 37%
    - Net Income up 7%
- **Lower than Expected Customer Additions**
    - 65,000 customers aggregated, down from 93,000 in Q2
    - Management has revised its customer aggregation target from 475,000 to 350,000 for the fiscal year
    - Gross Margin per New Customer up 43% over Target Levels
- **Management Reaffirms Published Financial Guidance for F2007**
    - 15% - 20% growth in Gross Margin
    - 15% - 20% growth in Distributable Cash

In consideration of these operating results, Management announced that the Board of Directors has approved Energy Savings 25th increase in annual distribution rate, an increase of $0.03 annually to $1.065 per unit ($0.08875 per month) effective the distribution paid March 31, 2007.

* See Management's Discussion and Analysis for calculation

Energy Savings Third 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 nine months ended December 31, 2006.

Three months ended December 31 ($ millions except per Unit)	F2007	Per Unit	F2006	Per Unit
Sales[1]	$417.2		$328.6	
Gross Margin[1]	61.6	$0.57	51.8	$0.48
Distributable Cash[1]				
- After Customer Replacement	37.3	$0.35	35.2	$0.33
- After New Customer Marketing	36.5	$0.34	26.6	$0.25
Distributions	27.5	$0.26	24.3	$0.23
Long Term Customers	1,654,000		1,413,000	
Nine months ended December 31 ($ millions except per Unit)	**F2007**	**Per Unit**	**F2006**	**Per Unit**
Sales[1]	$1,068.4		$862.5	
Gross Margin[1]	153.9	$1.43	133.8	$1.25
Distributable Cash[1]				
- After Customer Replacement	92.5	$0.86	88.9	$0.83
- After New Customer Marketing	77.1	$0.72	68.9	$0.64
Distributions	79.9	$0.74	71.8	$0.67
Ending Annual Distribution per Unit		$1.035		$0.915

[1] Seasonally adjusted

By all financial measures, Energy Savings exhibited solid growth in the third quarter. Year over year, sales increased by 27%, gross margin by 19%, post-replacement distributable cash by 6% and distributable cash after all marketing by 37%. Our distributions to Unitholders were up 13%. Driving this growth were two key factors, a 17% year over year growth in our customer base and substantially higher new customer gross margins.

Sales growth reflected both the growth in customer base and higher selling prices. Margin growth was a function of more customers and higher margin per customer offset by a record warm December (reducing customer natural gas consumption) in the Northeast.

Growth in distributable cash after customer replacement was slowed by high renewal costs and continued high attrition driven largely by customer switching in the U.S. markets. Distributable cash after all marketing was up by 37% largely due to lower expenditures on new customer additions versus the prior year.

As in the second quarter, management reaffirms the Fund's published financial guidance of 15% to 20% year over year growth in both gross margin and distributable cash. The Fund is able to provide this guidance based on the locked-in nature of its customer margins for the fourth quarter. As with all businesses, outside factors can impact expected results. The major risk to the Fund's guidance will be winter weather during the fourth quarter. Continued record warm weather may require the Fund to revise its guidance. Management believes this level of growth is higher than that of comparable business trusts.

As in past quarters, we faced challenges in Q3; foremost amongst these were customer additions. As we stated at the end of Q2, issues with customer switching and the absence of a contest period in New York limited our ability to add U.S. customers. In mid December a contest period was introduced in the ConEd territory, however the positive impact will not be realized until Q4. While strong Canadian additions in Q1 and Q2 concealed the U.S. weakness, the table below shows that this was not the case in Q3.

Market	*Published Target*	*F2007 Q3 Additions*	*F2007 YTD Additions*	*% of Target*	*F2006 Q3 Additions*
Ontario – Gas	50,000	**3,000**	**26,000**	52%	44,000
Other provinces – Gas	60,000	**10,000**	**50,000**	83%	67,000
Electricity – Canada	175,000	**23,000**	**131,000**	75%	126,000
United States – Gas	100,000	**18,000**	**55,000**	55%	58,000
United States - Electricity	90,000	**11,000**	**24,000**	27%	17,000
Total	475,000	**65,000**	**286,000**	60%	312,000

Canadian additions were weaker in Q3 largely due to tight labour markets and the resultant difficulty in attracting new and replacement sales agents. Increased competition in Ontario also reduced the available agent pool. While the Fund began the year with 600 active agents, the total had slipped below that level by the end of Q3. Management has been and remains focused on rebuilding and maintaining its sales force.

Given the level of U.S. additions, it is clear that Energy Savings will be unable to meet its customer addition target for the year. Management's best estimate is that additions in Q4 will be similar to those in Q3. Despite this, we expect to exit the year with double digit customer base growth as is expected to be the case with our financial measures.

One positive in our marketing was an intentional plan by management to increase annual gross margins per new customer added in the quarter. This was successful with new customer margins averaging 43% higher than our published target margins.

New Customer Annual Gross Margin	Q3 Actual	Published Target	% of Target	Customers Added
Canada – Gas	$205	$175	117%	13,000
Canada – Electricity	$191	$110	173%	23,000
United States – Gas	$206	$140	147%	18,000
United States - Electricity	$132	$110	120%	11,000

The financial impact of these higher margins will be seen over the coming five years. This positive benefit will largely offset the effect of lower than expected additions. Management believes that, over time, new customer margins will move back toward target levels although the target for Canadian electricity is under review.

Based on growth in the business realized to date and the prospects for the fourth quarter and beyond, Energy Savings announced today the 25th increase in annual distribution rate on its units. The increase will be $0.03 to a total of $1.065 annually ($0.08875 monthly) effective the distribution paid on March 31, 2007.

Executive Chair Rebecca MacDonald noted: "Energy Savings is a very strong business. While the entire management team is frustrated with the current trading price of our units, we are focused on delivering the growth and profitability which can only increase value for our Unitholders. Your management team will continue to work to establish and meet consistent growth targets. As our profitability and distributions continue to grow, eventually our unit price must respond. I promise Unitholders that I will personally take the Energy Savings story to the investment community to ensure that the great company we have built is completely understood."

"Within our quarterly disclosure we note that we are reviewing possible restructuring options in light of the Federal Government's proposal to tax income trust distributions. This review is proceeding and we would anticipate being able to review options to generate higher value with our Unitholders when and if the new tax is enacted."

CEO Brennan Mulcahy stated: "We are disappointed that, for the first time in Fund history, we will not meet our customer acquisition targets. That said we expect to achieve double digit growth in customers which, for most companies, would be a considerable accomplishment. We expect (subject to remaining winter weather) to realize 15% to 20% growth in gross margin and distributable cash, exactly as we forecasted at the beginning of the year. At Energy Savings, we have delivered this growth year after year and we do not anticipate changing that in the future."

"While the U.S. market has been a challenge, this is true of most new markets. We are working through the challenges gaining key regulatory changes, building market share and generating higher margins. This market is not going away. As we grow and maintain our profitability in the U.S., Energy Savings' growth will just be beginning. The U.S. provides vast opportunity for growth and deregulation is only now taking root south of the border. With new markets like B.C. residential gas and further territories in New York coming available, I am confident that we will meet the challenge of maintaining our growth in the future."

Ms. MacDonald added: "Despite challenges, this is turning out to be a very solid year for Energy Savings. As with past successes, our policy is to translate improved operating results into higher distributions for our Unitholders. The distribution increase announced today is evidence of the long term success of our business. I want to thank all our Unitholders for their continued support."

The Fund

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

Ms. Mary Meffe, C.A.
Chief Financial Officer
Phone: (905) 795-4206