

**TSX: SIF.UN**

- **FOR IMMEDIATE RELEASE**

**PRESS RELEASE -**

**ENERGY SAVINGS INCOME FUND -  
FINALIZES AMOUNT OF SPECIAL DISTRIBUTION -**

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TORONTO, ONTARIO – January 25, 2008 –

Energy Savings Income Fund (“the Fund”) announced today, based on a final determination of its undistributed income on hand at December 31, 2007, that the amount of the special distribution, estimated in December at \$0.38, **will be \$0.41**. The attached schedule indicates the dates and amounts of the special distribution to be paid in cash and units to unitholders of record at the close of business on December 31, 2007.

The special distribution will be payable as to 50% (\$0.205) in cash and 50% (\$0.205) in units of the Fund based upon the closing market price for units of the Fund on the TSX on December 31, 2007 or \$16.70. Part of the distribution is being paid in units to retain balance sheet strength to fund the future growth of the Fund.

By making all of the Fund’s taxable income that has not yet been distributed payable to its unitholders, the special distribution ensures, that as required by the Fund’s Amended and Restated Declaration of Trust, the Fund will not be liable to pay income taxes in respect of its taxation year ending December 31, 2007. This special distribution has been necessitated primarily as a result of the successful performance of the Fund during 2007.

On December 20, 2007, the holders of Units and Class A Preference Shares of OESC approved a Special Resolution amending the Fund’s Amended and Restated Declaration of Trust so that immediately after the issuance of additional units as part of the special distribution, the outstanding units of the Fund will NOT be consolidated as previously required prior to the approval of the Special Distribution.

**Income Tax Implications**

The special distribution is intended to ensure that the Fund will not be liable to pay income tax under Part I of the Income Tax Act for 2007. In general, taxable Canadian residents who hold units will be required to include the special distribution in income for their 2007 taxation year on the basis that the unit portion of the distribution will be valued based on the TSX closing market price for units on December 31, 2007.

Non-resident holders of the units will be subject to applicable Canadian withholding tax on the whole \$0.41 special distribution. For taxable United States residents who hold units, the amount of the unit portion of the distribution should not be included in income nor should it be included in the adjusted cost base of the units held for U.S. income tax purposes.

Comments on the tax implications of the special distribution are provided as general information only. They are not intended to be legal or tax advice to any particular unitholder. All unitholders should consult legal, business and tax advisors about the tax implications of the special distribution.

## **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.

## **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 attrition, 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, rates of customer attrition, 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](http://www.sedar.com) or through the Fund's website at [www.esif.ca](http://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. Peter Bloch C.A.  
Chief Financial Officer  
Phone: (905) 795-4206

**ENERGY SAVINGS INCOME FUND -**

**SPECIAL DISTRIBUTION -**

**PAYMENT SCHEDULE -  
(on a per unit basis) -**

<b><u>Payment Date</u></b> -	<b><u>Cash</u></b>	<b><u>Units (1) (2)</u></b>
January 31, 2008	\$0.0683	--
February 29, 2008	\$0.0683	--
March 31, 2008	\$0.0684	--
June 30, 2008	—	0.00409 (1) (2) -
September 30, 2008	—	0.00409 (1) (2) -
December 31, 2008	—	0.00409 (1) (2) -

- (1) - Based on the TSX closing market price for Units on December 31, 2007 of \$16.70.
- (2) - No fractional units will be issued
- (3) - The \$0.41 per Unit distribution is based on the Fund's final calculation of the Funds undistributed income at December 31, 2007.
- (4) - The special distribution is in addition to the regular monthly distribution payable at the end of each month to unitholders of record the 15<sup>th</sup> day of each month.