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PRESS RELEASE

**ENERGY SAVINGS INCOME FUND
ANNOUNCES SPECIAL CASH DISTRIBUTION ESTIMATED AT
\$0.10 PER/UNIT**

TORONTO, ONTARIO – December 18, 2008 – Energy Savings Income Fund (the “Fund”) announced today that, in addition to the regular monthly cash distribution of \$0.10333 per unit payable to unitholders on December 31, 2008, it has declared a special distribution which it currently estimates will be in the amount of \$0.10 per unit payable to unitholders of record at the close of business on December 31, 2008. The final amount of the special distribution will be based on income generated by the Fund for the year ended December 31, 2008. This special distribution is at the high end of the previously announced range of \$0.05 to \$0.10 per unit and reflects the solid operating performance of the Fund during the current quarter.

By making all of the Fund’s taxable income that has not yet been distributed payable to its unitholders, the special distribution ensures, as required by its Amended and Restated Declaration of Trust, that the Fund will not be liable to pay income taxes in respect of its current taxation year ending December 31, 2008. The special distribution has been necessitated primarily as a result of the successful performance of the Fund during 2008.

The Fund will know the exact amount of the Fund’s undistributed income on hand at December 31, 2008 in January 2009. Accordingly, a follow up press release will be issued before the end of January either confirming the amount of the special distribution, currently estimated at \$0.10 per unit, or indicating a different amount. The special distribution will be payable in cash on January 31, 2009.

Rebecca MacDonald, Executive Chair of Energy Savings said, “I am very pleased to announce another special distribution. This year’s \$0.10 is over and above the current \$1.24 annual distribution and reflects the continued growth in cash flow of the Fund. I look forward to announcing our third quarter results in February and will be meeting with our investors at that time.”

“I believe that Energy Savings is a unique vehicle which will perform despite the recession. Utility bills are an essential payment, regardless of economic conditions. Troubled times are positive both for customers wanting insurance against future commodity price volatility and for the recruitment of new independent sales agents. The

market seems to have lost touch with the strength inherent in our company and I intend to personally focus on renewing market awareness in the coming months.”

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 2008. In general, taxable Canadian residents who hold Units will be required to include the special distribution in income for their 2008 taxation year.

Non-resident holders of the units will be subject to applicable Canadian withholding tax on the whole special distribution as determined in January 2009.

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’ natural gas business, which is conducted in Ontario, Manitoba, Alberta, Quebec, British Columbia, Illinois, Indiana and New York, involves the sale of gas to residential, commercial and small industrial customers under long term, irrevocable fixed price contracts. Energy Savings also supplies electricity to Ontario, Alberta, New York and Texas 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.

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 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

Ken Hartwick C.A.
President and Chief Executive Officer
Phone: (905) 795-3557

or

Mr. Peter Bloch, C.A.
Chief Financial Officer
Phone: (905) 795-4206