

# The Consumers'

Waterheater Income Fund

## For immediate release

### **THE CONSUMERS' WATERHEATER INCOME FUND ANNOUNCES THE COMPLETION OF OVER-ALLOTMENT OPTION IN ITS RECENTLY CLOSED \$50 MILLION PUBLIC OFFERING**

NOT FOR DISTRIBUTION IN THE UNITED STATES OR OVER UNITED STATES WIRE SERVICES

**Toronto, Ontario – July 6, 2010** – The Consumers' Waterheater Income Fund ("Fund") (TSX: CWI.UN) today announced that, in connection with its recently completed offering of a combination of 5,210,000 Units of the Fund and \$25 million principal amount of 6.25% convertible unsecured subordinated debentures due June 30, 2017 (the "Debentures"), the underwriters have exercised their over-allotment option to purchase an additional \$2,883,000 principal amount of Debentures. The total gross proceeds from the offering, including this over-allotment option, was approximately \$52.9 million. The Units and Debentures were underwritten by a syndicate of underwriters led by TD Securities Inc.

Each Debenture is convertible into Units at the option of the holder at a conversion price of \$6.48 (or 154.3210 Units per \$1,000 principal amount of Debentures).

The net proceeds of the offering will be used for general purposes of the Fund, which may include, among other things, paying down amounts on The Consumers' Waterheater Operating Trust's revolving line of credit, repaying certain amounts of secured debt assumed by the Fund in connection with its purchase of Stratacon Inc. in August 2008, and funding the purchase of possible future acquisitions.

This news release does not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction. The securities being offered have not been approved or disapproved by any regulatory authority.

This press release is not an offer of securities for sale in the United States. The securities being offered have not been and will not be registered under the United States Securities Act of 1933 and accordingly are not being offered for sale and may not be offered, sold or delivered, directly or indirectly within the United States, its possessions and other areas subject to its jurisdiction or to, or for the account or for the benefit of a U.S. person.

#### **About The Consumers' Waterheater Income Fund**

The Fund owns a portfolio of approximately 1.3 million installed water heaters and other assets, rented primarily to residential customers in Ontario. The Fund also owns Stratacon Inc., a leading "smart" sub-metering company, with metering contracts for condominium and apartment suites in Alberta, Ontario and elsewhere in Canada.

Additional information regarding the Fund, including its current Annual Information Form is available on SEDAR at [www.sedar.com](http://www.sedar.com).

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