

EnerCare Files Circular for Annual and Special Meeting-Urges Shareholders to Vote their BLUE Proxy to Protect their Investment

TORONTO, ONTARIO -- (Marketwire) -- 03/29/12 -- EnerCare Inc. ("EnerCare") (TSX: ECI) filed its management information circular today for its annual and special meeting, to be held on Monday, April 30, 2012.

In an accompanying letter, Jim Pantelidis, Chairman, proudly cites EnerCare's strong financial performance, including two dividend increases within the past four months. A copy of the letter is attached.

The April 30 meeting will consider, among other things, a demand by Octavian Advisors, a New York-based hedge fund, to increase the size of EnerCare's board to ten and to elect four of its own nominees.

Urging shareholders to vote their BLUE proxies against Octavian's proposal, Mr. Pantelidis notes that Octavian, "is proposing a self-serving slate of directors with the intention of pressuring EnerCare's board into a sale of EnerCare for Octavian's own short-term gain".

He adds that:

- Octavian's only interest is its own short-term gain. Octavian bought its EnerCare shares at a low price and is now only interested in selling - in fact, Octavian advocated selling EnerCare at \$6.00 per share.
- If elected, Octavian's representatives will disrupt the board's long-term strategic plan, and pursue Octavian's own quick sale agenda at the expense of other shareholders.
- Octavian's demand to place four Octavian representatives on the board is grossly disproportionate to its 13% interest in EnerCare.
- EnerCare's current board is committed to building and maximizing long-term shareholder value through dividends, capital gains, organic growth and strategic acquisitions. Octavian is not.
- EnerCare's current board has a long-term strategy to protect the company's regular monthly dividends while providing steady growth. Octavian does not.

EnerCare's current management and board have laid the foundation for sustained long-term shareholder value, as evidenced by EnerCare's accomplishments in recent years. A \$100 investment in EnerCare two years ago was worth about \$228.86(1) as of March 23, 2012 (the date of the circular). The monthly cash dividend was raised in December 2011, and another increase was recently announced. EnerCare's dividend yield is higher than 90% of companies included in the S&P/TSX Composite

Index.

Further information about Octavian's proposal and the other matters to be considered at the April 30 meeting can be found in EnerCare's management information circular dated March 23, 2012. The circular has been mailed to shareholders of record as of March 2, 2012, and a copy of the circular will be available at www.protectenergcare.com and under EnerCare's profile on SEDAR at www.sedar.com.

(1) Assuming dividend reinvestment on a non-taxable basis at each monthly payment date.

Attention EnerCare Shareholders:

Vote your BLUE proxy by mail or fax in order for it to be received by the deadline. Proxies must be received no later than Thursday, April 26, 2012 at 10:00 a.m. (Toronto time). Please ensure that you sign and date the BLUE proxy.

For questions on voting your BLUE proxy, please call:

Kingsdale Shareholder Services Inc.

Telephone Toll Free: 1.888.518.6813

Toll Free Fax: 1.866.545.5580

Outside North America Call Collect: 1.416.867.2272

About EnerCare Inc.

EnerCare owns a portfolio of approximately 1.2 million installed water heaters and other assets, rented primarily to residential customers in Ontario. EnerCare also owns EnerCare Connections Inc., a leading sub-metering company, with metering contracts for condominium and apartment suites in Ontario, Alberta and elsewhere in Canada.

For more information about the upcoming April 30 annual and special shareholder meeting, please visit www.protectenergcare.com. You can also find more information about EnerCare on SEDAR at www.sedar.com, on our investor website at www.energcareinc.com or on our rentals and sub-metering business website at www.energcare.ca.

Forward-Looking Information

This news release contains certain forward-looking statements that involve various risks and uncertainties. The forward-looking information in this news release includes statements that reflect management's expectation regarding EnerCare's growth, results of operations, performance, business prospects and opportunities. Such forward-looking information reflects management's current beliefs and is based on information available to them and/or assumptions management believes are reasonable. Many factors could cause results to differ materially from the results discussed in the forward-looking information. Although the forward-looking information is based on what management believes to be reasonable assumptions, EnerCare cannot assure investors that actual results will be consistent with this forward-looking information. All forward-looking information in this news release is made as of the date hereof. Except as required by applicable securities laws, EnerCare does not intend and does not assume any obligations to update or revise the forward-looking information, whether as a result of new information, future events or otherwise. A thorough discussion in respect of the material risks relating to the business and structure of EnerCare can be found in its current Annual Information Form, which is available on SEDAR at www.sedar.com.

(Full text of Jim Pantelidis' letter follows)

March 23, 2012

Dear Fellow Shareholder,

Your dividend is at risk. You must act to protect it. Vote your BLUE proxy today.

EnerCare is holding its annual and special meeting of shareholders on April 30, 2012. At the meeting, shareholders will be asked to re-appoint auditors and elect directors for the ensuing year. Shareholders will also be asked to consider and vote on a resolution proposed by Octavian Special Master Fund, L.P. and Tiberius OC Fund, Ltd., New York-based hedge funds managed by Octavian Advisors, LP, to increase the size of the board to 10 directors and elect four of its own nominees to the board. We do not believe that it is in your best interests to support Octavian's proposal. However, we are required by law to put the requisitioned resolution before the meeting.

Key Facts

- Octavian's only interest is its own short-term gain. Octavian bought its EnerCare shares at a low price and is now only interested in selling - in fact, Octavian advocated selling EnerCare at \$6.00 per share.
- If elected, Octavian's representatives will disrupt the board's long-term strategic plan, and pursue Octavian's own quick sale agenda at the expense of other shareholders.
- Octavian's demand to place four Octavian representatives on the board is grossly disproportionate to its 13% interest in EnerCare.
- Your current board is committed to building and maximizing long-term shareholder value through dividends, capital gains, organic growth and strategic acquisitions. Octavian is not.
- Your current board has a long-term strategy to protect your monthly dividends while providing steady growth. Octavian does not.

Octavian is proposing a self-serving slate of directors with the intention of pressuring EnerCare's board of directors into a sale of EnerCare for Octavian's own short-term gain.

Don't let Octavian take control of your investment.

Octavian has consistently been making claims that are, quite simply, a blatant attempt to manipulate shareholders with misinformation. It is important that you disregard Octavian's press releases and dissident circular and vote your BLUE proxy today to protect your dividend and maximize the potential for long-term gain of your investment in EnerCare.

I urge you to carefully consider the facts and arguments presented in the management information circular that accompanies this letter. It will be clear that supporting the dissident is in neither your best interests nor the best interests of EnerCare.

Your Current Board - Milestones Achieved

EnerCare's current management and board of directors are laying the foundation for sustained long-term shareholder value. We have done this with accomplishments on a number of levels.

Your current board has significantly grown shareholder value. A \$100 investment in EnerCare two years ago is worth about \$228.86 today.

In December 2011, the board of directors increased shareholders' monthly cash dividend, and recently announced a further

increase to \$0.056 per share per month, or \$0.672 per share on an annualized basis. These increased dividends represent growing distributable cash resulting from EnerCare's strong financial performance.

EnerCare's dividend yield is higher than 90% of the companies currently included in the S&P/TSX Composite Index.

Your current board will continue its long-term strategy to maximize shareholder value through dividends, capital gains, organic growth and strategic acquisitions, while providing steady growth.

Octavian Will Pull the Plug on Your Dividend

Octavian is a New York-based hedge fund that specializes in short-term, high return investments. Octavian is not interested in a long-term, high-dividend investment - such as you currently enjoy. It bought its EnerCare shares at a low price, and is now looking to sell in order to make a quick cash profit.

Octavian offers no constructive direction for EnerCare. Octavian's demand for four board members is grossly disproportionate to its 13% interest in EnerCare. If elected, these representatives would push forward with a quick sale agenda that would disrupt the current board's strategy to maximize long-term shareholder value.

Protect Your Dividend - Vote Your BLUE Proxy

Your board urges you to carefully read the management information circular that accompanies this letter and vote your BLUE proxy. Regardless of the number of shares you own, we urge you to express your support by voting your BLUE proxy well in advance of the April 26, 2012 proxy deadline.

Sincerely,

Jim Pantelidis, Director and Chair of the Board

VOTE YOUR BLUE PROXY BY MAIL OR FAX IN ORDER FOR IT TO BE RECEIVED BY THE DEADLINE. PROXIES MUST BE RECEIVED NO LATER THAN THURSDAY, APRIL 26, 2012 AT 10:00 A.M. (TORONTO TIME). PLEASE ENSURE THAT YOU SIGN AND DATE THE BLUE PROXY.

FOR QUESTIONS ON VOTING YOUR BLUE PROXY PLEASE CALL:

Kingsdale Shareholder Services Inc.

Telephone Toll Free: 1.888.518.6813

Toll Free Fax: 1.866.545.5580

Outside North America Call Collect: 1.416.867.2272

Contacts:

Media contact:

Navigator Ltd.

John Ratchford

416-642-4735

jratchford@navltd.com

Source: EnerCare Inc.

News Provided by Acquire Media