VALENER
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FISCAL 2014 SECOND QUARTER RESULTS
CONFERENCE CALL

May 14, 2014

VNR LISTED ON TMX Toronto Stock Exchange

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CAUTIONARY NOTE

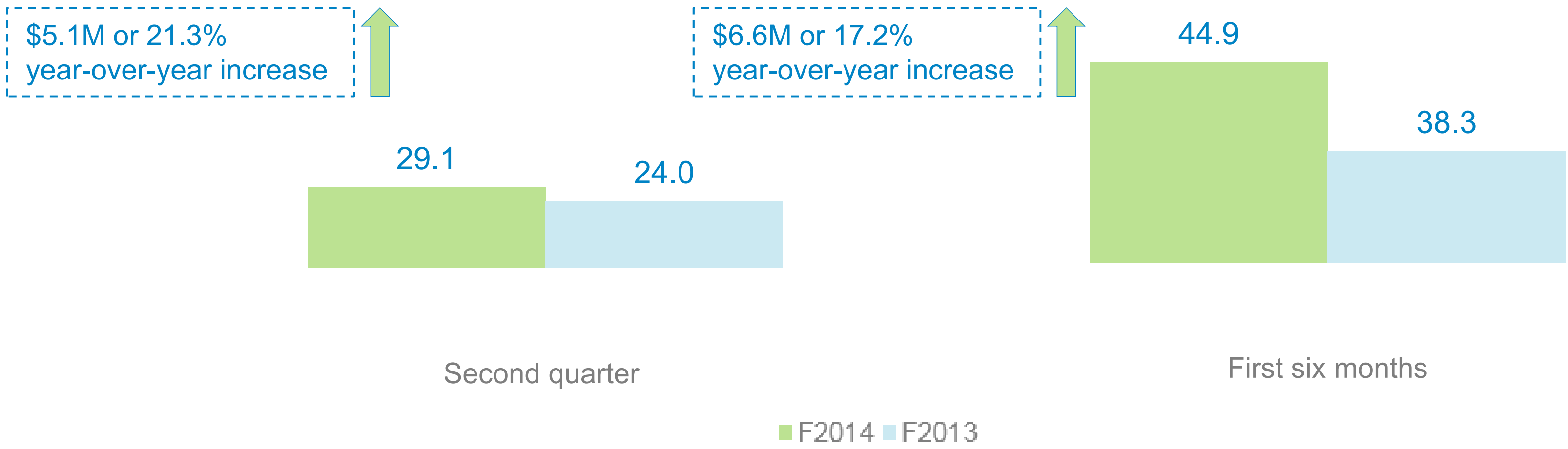
This presentation may contain forward-looking information within the meaning of applicable securities laws. Such forward-looking information reflects the intentions, plans, expectations and opinions of the management of Gaz Métro inc. (GMi), in its capacity as General Partner of Gaz Métro Limited Partnership (Gaz Métro), and acting as manager of Valener Inc. (Valener) (the management of the manager) and is based on information currently available to the management of the manager and assumptions about future events. Forward-looking statements can often be identified by words such as "plans," "expects," "estimates," "forecasts," "intends," "anticipates" or "believes," or similar expressions, including the negative and conjugated forms of these words. Forward-looking statements involve known and unknown risks and uncertainties and other factors beyond the control of the management of the manager. A number of factors could cause the actual results of Valener and Gaz Métro to differ significantly from the results discussed in the forward-looking statements, including, but not limited to, terms of decisions rendered by regulatory agencies, the competitiveness of natural gas in relation to other energy sources, the reliability of natural gas and electricity supply, the integrity of the natural gas and electricity distribution systems, the progress and profitability of wind power projects and other development projects, the ability to complete attractive acquisitions and the related financing and integration aspects, the ability to secure future financing, general economic conditions, exchange rate and interest rate fluctuations, weather conditions and other factors described in the section "Risk Factors of Valener" and "Risk Factors of Gaz Métro" sections of Valener's and Gaz Métro's Management's Discussion and Analysis for the fiscal year ended September 30, 2013 and in Valener's disclosure filings. Although the forward-looking statements contained herein are based upon what the management of the manager believes to be reasonable assumptions, including assumptions to the effect that no unforeseen changes in the legislative and regulatory framework of energy markets in Quebec and in the New England states will occur; that the applications filed with the Régie will be approved as submitted; that natural gas prices will remain competitive; that the supply of natural gas and electricity will be maintained; that no significant event occurring outside the ordinary course of business, such as a natural disaster or other calamity, will occur; that Gaz Métro can continue to distribute substantially all of its net income (excluding non-recurring items); that the wind power project in which Valener and Gaz Métro are indirectly involved will be completed on time and within the defined parameters; that Wind Farms 2 and 3 can make distribution payments to its Partners; that GMP will be able to continue to quickly and effectively integrate CVPS's operations; that liquidity needs for Gaz Métro's development projects will be obtained through a combination of operating cash flows, borrowings on credit facilities, capital injections from the Partners of Gaz Métro, and issuances of debt securities; and that the subsidiaries will obtain the required authorizations and funds needed to finance their development projects; in addition to the other assumptions described in Valener's and Gaz Métro's Management's Discussion and Analysis for the quarter ended March 31, 2014, the management of the manager cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of this date, and the management of the manager assumes no obligation to update or revise them to reflect new events or circumstances, except as required under applicable securities laws. These statements do not reflect the potential impact of any unusual item or any business combination or other transaction that may be announced or that may occur after the date hereof. Readers are cautioned not to place undue reliance on these forward-looking statements.

Non-GAAP financial measures

In the opinion of the management of the manager, certain indicators, such as net income attributable to the Partners of Gaz Métro, excluding non-recurring items, net income attributable to the common shareholders, excluding the share in the non-recurring items of Gaz Métro, net of income taxes, net income attributable to the common shareholders, excluding the share in the non-recurring items of Gaz Métro, net of income taxes, per common share, normalized operating cash flows and normalized operating cash flows per common share, provide readers with information it considers useful for analyzing the financial results of both Valener and Gaz Métro. However, these indicators are not standardized in accordance with Canadian generally accepted accounting principles (GAAP) and should not be considered in isolation or as substitutes for other performance measures that are in accordance with GAAP. The results obtained might not be comparable with similar indicators used by other issuers and should therefore only be considered as complementary information.




VALENER'S RECURRING NET INCOME[1] ($ Millions)



DRIVER	
⇧	Strong operational and financial performance of Gaz Métro

(1) Net income attributable to common shareholders, excluding the share in non-recurring items of Gaz Métro, net of income taxes
Please refer to Non-GAAP measures in sections A and J of MD&A

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UPDATE ON WIND FARM PROJECTS IN QUEBEC

VALENER	GAZ MÉTRO
24.5%	25.5%

PROJECTS	INSTALLED CAPACITY (MW)	NUMBER OF TURBINES	IN SERVICE DATE	TOTAL INVESTMENT ($ Millions)
Seigneurie de Beaupré projects 2 and 3	**272**	**126**	November/December 2013	~ 750 (incl. financing costs)
277,241 MWh of energy produced since in-service date Capacity factor of 39.7% in second quarter				

Exceeded our expectations in a context of favourable wind conditions




UPDATE ON WIND FARM PROJECTS IN QUEBEC (Cont'd)

VALENER	GAZ MÉTRO
24.5%	25.5%

PROJECTS	INSTALLED CAPACITY (MW)	NUMBER OF TURBINES	EXPECTED IN SERVICE DATE	TOTAL INVESTMENT ($ Millions)
Seigneurie de Beaupré project 4	**68**	**28**	December, 2014	~ 190 (incl. financing costs)
Land clearing work completed All foundations and most road work completed Collector systems approximately 60% completed				

Construction work resumed in May 2014 for expected December 2014 commissioning




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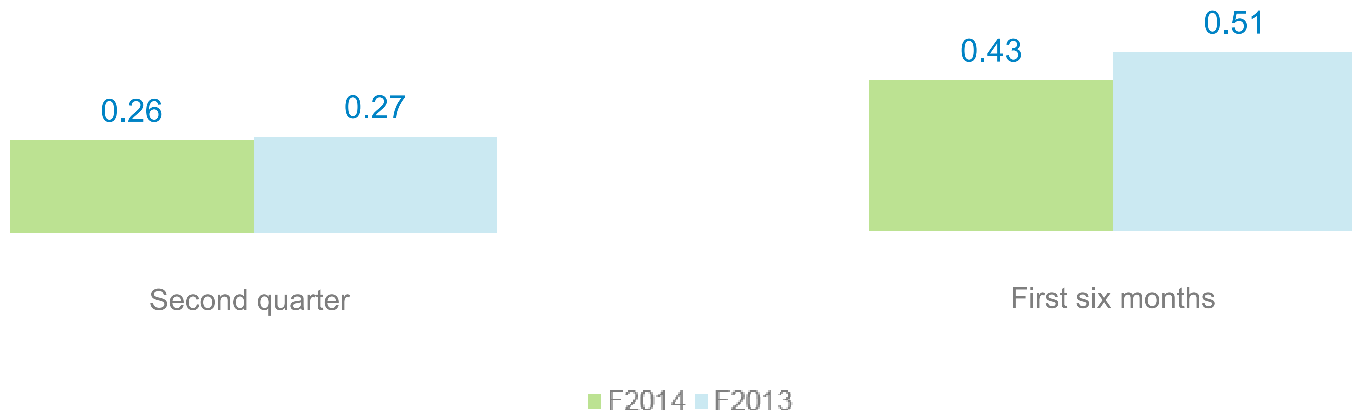
QUARTERLY DIVIDENDS DECLARED

AMOUNT PER SHARE	RECORD DATE	PAYABLE	DISCOUNT UNDER DRIP
Common shares			
$0.25	June 30, 2014	July 15, 2014	5% on new shares issued
Series A preferred shares			
$0.271875	July 9, 2014	July 15, 2014	Not applicable

Annual dividend of $1 per common share to be maintained for fiscal 2014

VALENER'S NORMALIZED OPERATING CASH FLOWS PER SHARE[1] ($ per share)

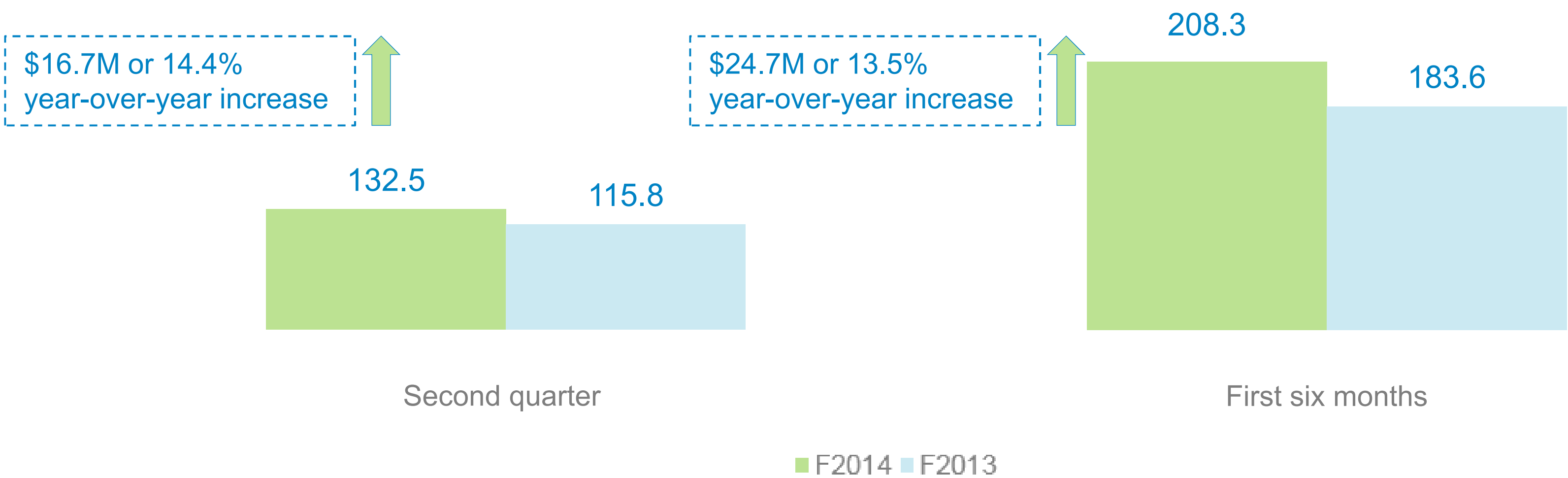


DRIVER	
	Decrease in distributions received from Gaz Métro (Valener no longer benefits from an increase of $1.7 million per quarter in Gaz Métro distributions)

Lag in distributions from wind power projects 2 and 3 to be funded, if needed, by Valener's credit facility

(1) Cash flows related to operating activities less dividends paid to preferred shareholders divided by weighted average number of common shares outstanding
Please refer to Non-GAAP measures in section A of MD&A

GAZ MÉTRO'S RECURRING NET INCOME[1] ($ Millions)



DRIVERS

- Higher volumes of natural gas and electricity distributed in Quebec and Vermont mainly due to very cold temperatures
- Synergies from the operational integration of GMP and CVPS
- Favourable impact of appreciation of US dollar on results from US operations

(1) Please refer to Non-GAAP measures in section J of MD&A




UPDATE ON GROWTH INITIATIVES IN VERMONT

PROJECTS	DETAILS
GMP-CVPS operational integration	Three-year plan to merge the processes and operations of the two entities
	Synergies guaranteed to customers: • Fiscal 2014: US$5.0M Expected to be met

Ahead of schedule

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UPDATE ON GROWTH INITIATIVES IN VERMONT (Cont'd)

PROJECTS	DETAILS	SCHEDULE INDICATOR
VGS system development project	Extension to Addison County (Phase I)	VPSB approval obtained in December 2013 Construction expected to begin in summer 2014
	US$19.4M invested in the project as of March 31, 2014	
	Extension to International Paper Company's mill in NY State (Phase II)	Regulatory application filed with VPSB in November 2013 Decision expected by December 2014 Application filed with the FERC to obtain authorization to cross the Vermont / New York border

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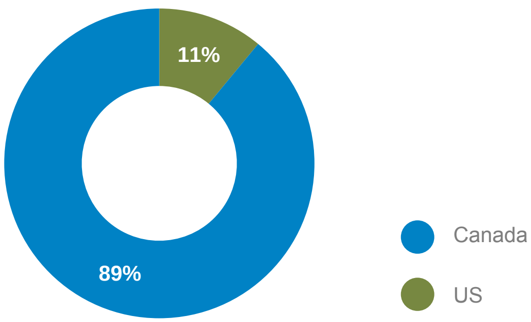
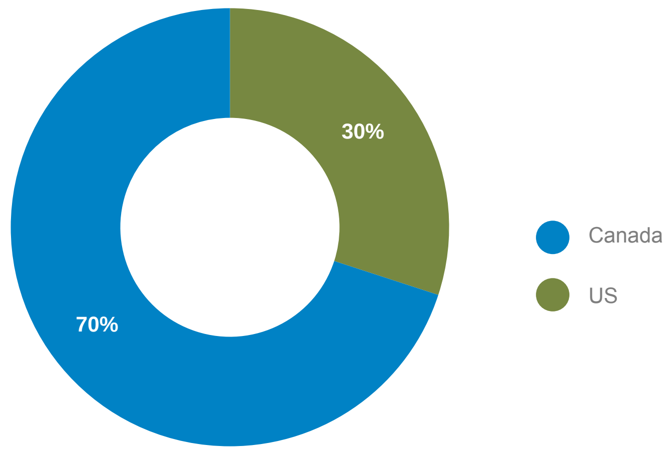
GAZ MÉTRO'S GROWTH STRATEGY

Fiscal 2006
$140.1 million in recurring net income
206,000 customers

Fiscal 2013
$165.7 million in recurring net income
≈ 500,000 customers





Gaz Métro's results demonstrate the relevance of its prudent geographical and commercial diversification

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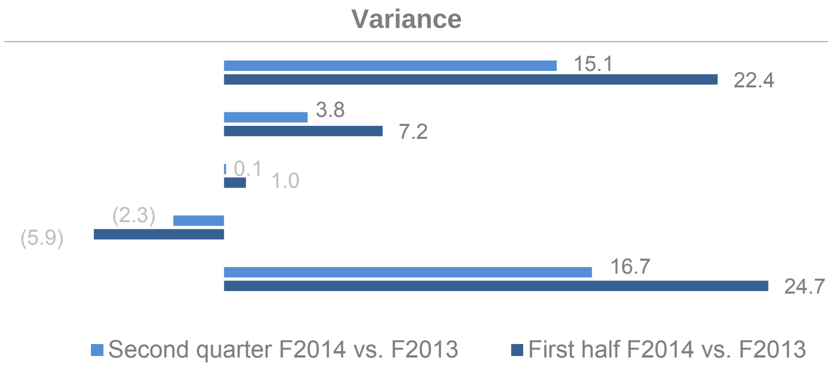
GAZ MÉTRO'S SEGMENTS RECURRING NET INCOME[(1)] AND VARIANCE ($ Millions)

Segments	3 months ended March 31, 2014	6 months ended March 31, 2014
Gaz Métro-QDA	110.1	166.9
Energy distribution in Vermont	18.4	34.5
Energy production	-	0.8
Other	4.0	6.1
Total	132.5	208.3



	GAZ MÉTRO-QDA	ENERGY DISTRIBUTION IN VERMONT
⇧	• Timing difference between revenue recognition profile and that of costs • Impact of significantly colder-than-normal temperatures on deliveries to commercial market	• Rate case parameters for GMP and VGS • Higher volumes delivered by GMP due to much colder temperatures • Synergies from operational integration of GMP and CVPS • Appreciation of US dollar

(1) Please refer to Non-GAAP measures in section J of MD&A

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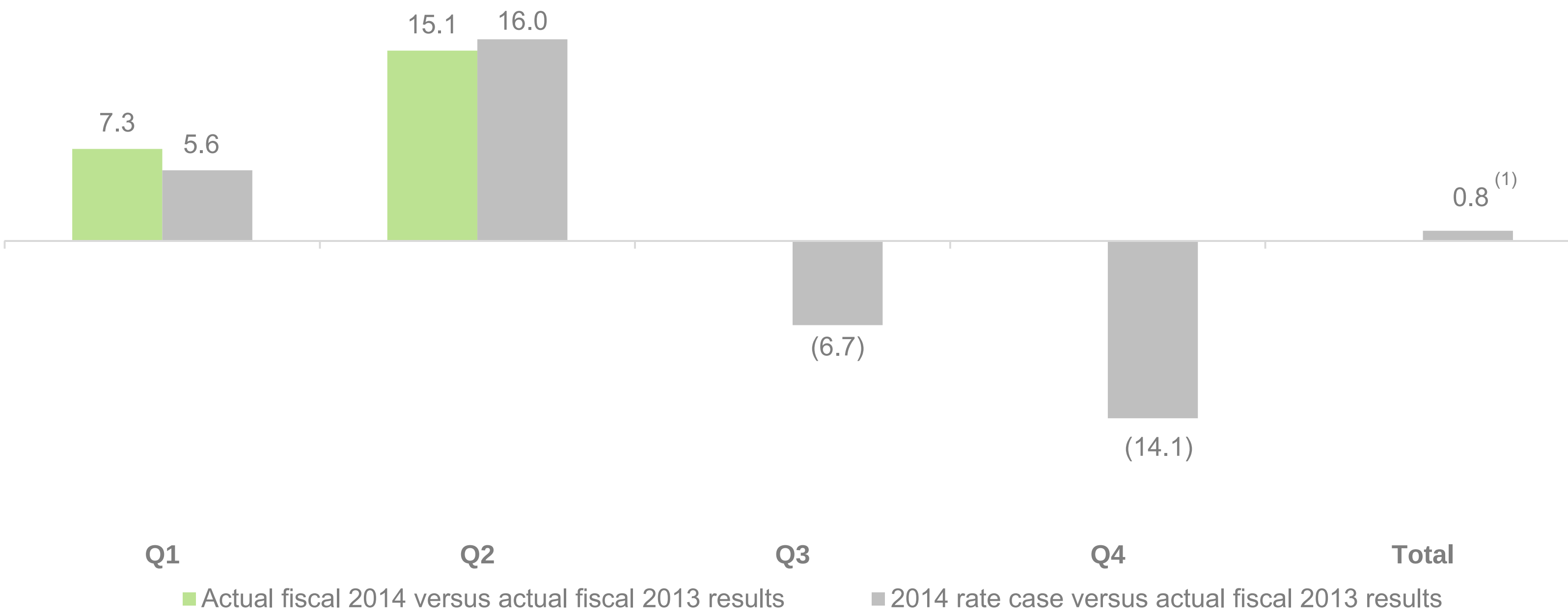
GAZ MÉTRO-QDA'S EXPECTED NET INCOME VARIATION FOR FISCAL 2014 ($ Millions)



$0.8M higher than anticipated in rate case for first six months

(1) 2014 rate case based on authorized ROE of 8.90% and cost of service as filed

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GAZ MÉTRO'S SEGMENTS RECURRING NET INCOME[1] AND VARIANCE ($ Millions)

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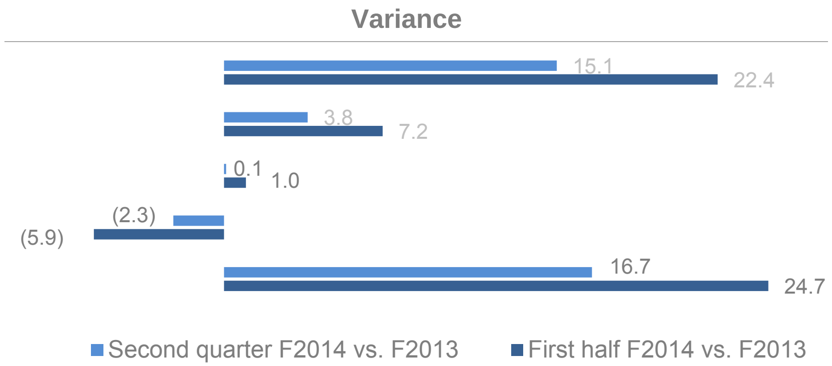

	ENERGY PRODUCTION	OTHERS
⇧	Net income from Wind Farms 2 and 3 commissioned during first quarter of fiscal 2014	Short-term sales and higher demand due to colder temperatures for PNGTS
⇩	Ineffective portion of swap arrangements (favourable for first six months)	• Higher maintenance costs for TQM • Lower storage revenues for Intragaz due to Régie's decision • Lower profitability for CCUM due to higher fuel costs

(1) Please refer to Non-GAAP measures in section J of MD&A




SEIGNEURIE DE BEAUPRÉ WIND FARMS OPERATIONAL AND FINANCIAL UPDATE

Operational metrics (100% basis)	3 months ended March 31, 2014	6 months ended March 31, 2014[(1)]
Electricity produced and sold (MWh)	233,080	277,241
Capacity factor (%)	39.7	36.1
Financial metrics (Gaz Métro's 50% consolidated interest)	3 months ended March 31, 2014	6 months ended March 31, 2014
Revenues from electricity sales ($ Millions)	12.5	15.0
EBITDA ($ Millions)	10.4	12.0
EBITDA margin (%)	83.2	80.0

[(1)] Wind Farm 2 began commercial operations on November 28, 2013 and Wind Farm 3 on December 10, 2013




GAZ MÉTRO’S EXPECTED CASH REQUIREMENTS FOR SECOND HALF OF FISCAL 2014

($ Millions)

CAPEX		SOURCES		
		Cash flows from operations & credit facilities		Long-term debt
SEGMENTS	**Second half of FY 2014 projections**	**Gaz Métro & Other**	**Valener**	
Gaz Métro-QDA	~ 84	~ 84		
Seigneurie projects *(Beaupré Éole and Beaupré Éole 4)*	~ 50			~ 50[1]
VGS, GMP and other	~ 136	~ 136		
TOTAL	**~ 270**	**~ 220**		**~ 50**

[1] Project financing non recourse to Gaz Métro and Valener. Already funded (included in restricted cash).

Q & A




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APPENDIX A - CURRENT COMPETITIVE POSITION OF NATURAL GAS IN QUEBEC

MARKET	MAIN COMPETITORS	HOW COMPETITIVE IS NATURAL GAS?(1)
Industrial E.g.: Large companies in petrochemical, metallurgy industries, etc.	**#6 Fuel oil**	**53% cheaper**
Commercial & Institutional E.g.: Hospitals, schools, restaurants, etc.	**Electricity**	**Small business: 18% cheaper** **Large business: 39% cheaper**
	#2 Fuel oil	**Small business: 42% cheaper** **Large business: 58% cheaper**
Residential heating(2)	**Electricity**	**5% to 22% cheaper**
	#2 Fuel oil	**27% to 40% cheaper**

(1) As at May 1st, 2014 (Current market prices)
(2) Using high efficiency equipment




APPENDIX B – VALENER 2014 FISCAL YEAR SECOND QUARTER RESULTS

	3 months ended March 31			**6 months ended March 31**		
(in millions of dollars, unless otherwise indicated)	**2014**	2013	Change	**2014**	2013	Change
Consolidated net income (loss)	**30.2**	25.1	5.1	**47.1**	43.7	3.4
Share in the non-recurring items of Gaz Métro	**-**	-	-	**-**	(4.3)	4.3
Income taxes on the share in the non-recurring items of Gaz Métro	**-**	-	-	**-**	1.1	(1.1)
Consolidated net income (loss), excluding the share in the non-recurring items of Gaz Métro, net of income taxes	**30.2**	25.1	5.1	**47.1**	40.5	6.6
Less: Cumulative dividends on Series A preferred shares	**1.1**	1.1	-	**2.2**	2.2	-
Consolidated net income (loss) attributable to common shareholders, excluding the share in the non-recurring items of Gaz Métro, net of income taxes (1)	**29.1**	24.0	5.1	**44.9**	38.3	6.6
Weighted average number of common shares outstanding *(in millions of common shares)*	**37.9**	37.6	0.3	**37.8**	37.6	0.2
Consolidated net income (loss) attributable to common shareholders, excluding the share in the non-recurring items of Gaz Métro, net of income taxes, per common share *(in $)* (1)	**0.77**	0.64	0.13	**1.19**	1.02	0.17

(1) These measures are financial measures that are not defined in Canadian generally accepted accounting principles (GAAP). For additional information, refer to the Non-GAAP Financial Measures heading in Valener's MD&A for the second quarter ended March 31, 2014.

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APPENDIX C – GAZ MÉTRO 2014 FISCAL YEAR SECOND QUARTER RESULTS

	3 months ended March 31			6 months ended March 31		
(in millions of dollars)	**2014**	2013	Change	**2014**	2013	Change
Energy Distribution						
Gaz Métro-QDA	**110.1**	95.0	15.1	**166.9**	144.5	22.4
VGS and GMP	**24.3**	19.1	5.2	**45.7**	36.7	9.0
Financing costs of investments in this segment (1)	**(5.9)**	(4.5)	(1.4)	**(11.2)**	(9.4)	(1.8)
	128.5	109.6	18.9	**201.4**	171.8	29.6
Natural Gas Transportation						
TQM, PNGTS and Champion Pipe Line Corporation Ltd.	**6.7**	6.3	0.4	**11.2**	11.1	0.1
Financing costs of investments in this segment (1)	**(0.5)**	(0.3)	(0.2)	**(0.9)**	(0.7)	(0.2)
	6.2	6.0	0.2	**10.3**	10.4	(0.1)
Energy Production						
Gaz Métro Éole inc. and Gaz Métro Éole 4 Inc.	**0.1**	(0.1)	0.2	**0.9**	(0.2)	1.1
Financing costs of investments in this segment (1)	**(0.1)**	-	(0.1)	**(0.1)**	-	(0.1)
	-	(0.1)	0.1	**0.8**	(0.2)	1.0
Energy Services, Storage and Other						
Energy and storage	**-**	2.2	(2.2)	**-**	19.9	(19.9)
Financing costs of investments in this segment (1)	**(0.2)**	(0.2)	-	**(0.4)**	(0.6)	0.2
Net gain on the sale of the stake in HydroSolution, L.P.			-		(14.7)	14.7
	(0.2)	2.0	(2.2)	**(0.4)**	4.6	(5.0)
Corporate Affairs						
Corporate affairs	**(2.0)**	(1.7)	(0.3)	**(3.8)**	(3.0)	(0.8)
	(2.0)	(1.7)	(0.3)	**(3.8)**	(3.0)	(0.8)
Consolidated net income attributable to Partners, excluding non-recurring items (2)	**132.5**	115.8	16.7	**208.3**	183.6	24.7
Non-recurring items	**-**	-	-	**-**	14.7	(14.7)
Consolidated net income attributable to Partners	**132.5**	115.8	16.7	**208.3**	198.3	10.0

(1) These costs consist of the interest on the long-term debt incurred by Gaz Métro to finance investments in the subsidiaries, joint ventures and entities subject to significant influence of each segment

(2) This measure is a financial measure not defined in Canadian generally accepted accounting principles (GAAP). For additional information, refer to the Non-GAAP Financial Measures heading in Valener's MD&A for the second quarter ended March 31, 2014