2010 Fiscal Year Results Conference Call

November 19, 2010

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Pierre Despars, Executive Vice President, Corporate Affairs, and CFO of Gaz Métro

Pursuant to an administration and management support agreement between Gaz Métro and Valener, Gaz Métro acts as manager of Valener.

Cautionary note regarding forward-looking statements

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, acting as manager of Valener (the management of the manager), and is based on information currently available to the management of the manager and on assumptions with respect to future events. The words “plans”, “expects”, “estimates”, “forecasts”, “intends”, “anticipates” or “believes”, or similar expressions, including the negative of these terms and future or conditional forms, often identify forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties and other factors outside management of the manager’s control. A number of factors could cause actual results of Gaz Métro and Valener to differ materially from the results discussed in the forward-looking statements, including, but not limited to, terms of decisions rendered by regulatory bodies, general economic conditions, the competitiveness of natural gas in relation to other energy sources, the reliability of natural gas supplies, the integrity of the natural gas distribution system, exchange rate fluctuations and other factors described under sections entitled “Risk factors pertaining to the Company’s activities” and “Risk factors pertaining to Gaz Métro activities” in Valener’s Management’s Discussion and Analysis for the fiscal year ended September 30, 2010 and in Gaz Métro and 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 the New England states will occur, that no significant event occurring outside the ordinary course of business, such as a natural disaster or other calamity, will occur, and that Gaz Métro will be able to continue distributing substantially all of its net income (but excluding non-recurring items), that the Seigneurie option will be exercised, that the Seigneurie project will be completed within the contemplated timeframe and parameters and other assumptions in Valener’s Management’s Discussion and Analysis for the fiscal year ended September 30, 2010, 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 pursuant to applicable securities laws. Readers are cautioned not to place undue reliance on these forward-looking statements.

Non-GAAP financial measures

In the view of GMi, the general partner of Gaz Métro, acting as manager of Valener, certain “adjusted” indicators, such as adjusted net income and adjusted net income per unit of Gaz Métro provide readers with information it considers useful for analyzing the financial results of both Valener and Gaz Métro. However, they 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.

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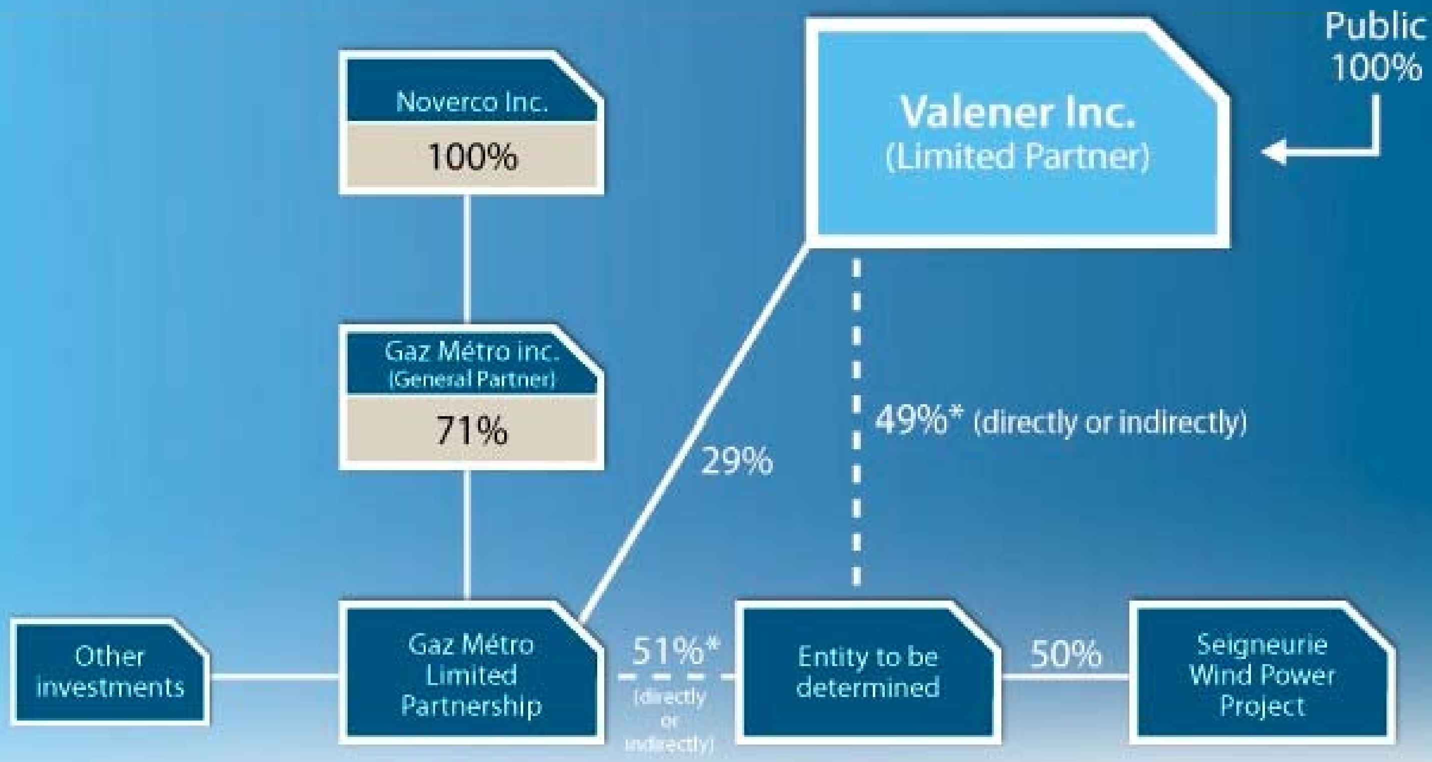
Corporate structure after September 30, 2010 reorganization



*Reflects ownership alternatives according to the option granted by Gaz Métro to Valener.

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Valener's 2010 fiscal year highlights

- Valener acquired its 29% interest in Gaz Métro on September 30, 2010
- No share of Gaz Métro's net income for fiscal 2010 recognized in Valener's results
- Valener incorporated on June 15, 2010
  - No activities from June 15 to September 30, 2010
- Valener's after-tax loss of $199,000 only reflects capital tax
- Total assets as at September 30, 2010: $631.3 million
- Trading in Valener shares started on the Toronto Stock Exchange last October 1 under the symbol "VNR"

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Valener declares quarterly dividend

- Valener's Board of Directors declared a quarterly dividend of $0.25 per share
- Payable on January 17, 2011
- To shareholders of record on December 30, 2010
- Under Dividend Reinvestment Plan, Valener's Board has approved :
  - Issue of new common shares
  - 2% discount from weighted average price

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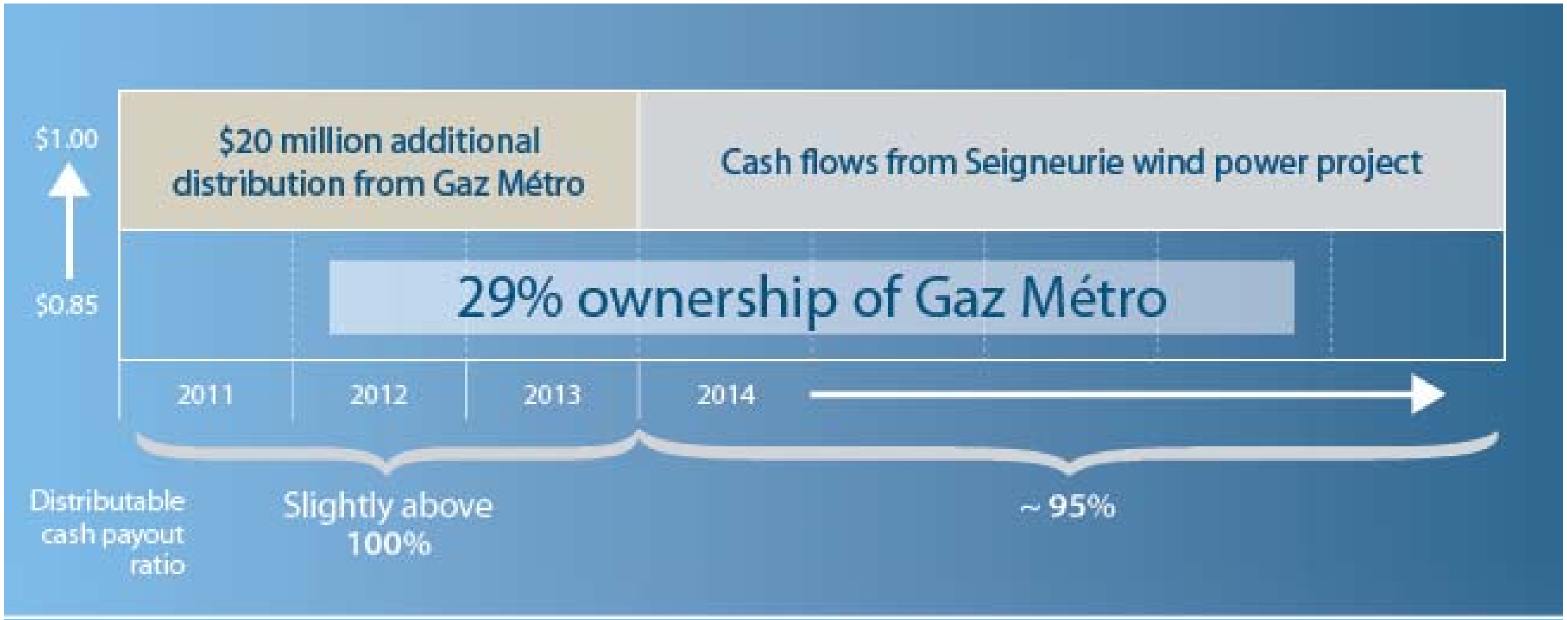
Visibility for Valener’s expected annualized dividend of $1.00 per share



Key assumptions:

- Stable authorized rate of return for Québec natural gas distribution activity
- Gaz Métro continues its practice of distributing substantially all of its net income
- Completion of Seigneurie wind power project within the contemplated timeframe and parameters
- Excluding new growth opportunities
- Excluding potential IFRS* impact

*International Financial Reporting Standards

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Recent developments

Date	Event
October 7, 2010	Announcement by Valener of a $29 million subscription of units of Gaz Métro, financed by a drawdown on its credit facility Completion of a $100 million equity offering by Gaz Métro by way of private placement to GMi and Valener, *pro rata* based on their respective share of outstanding units
October 12, 2010	Announcement by Valener of a $40.6 million bought deal equity issue (2,344,302 common shares at $17.30 per share)
November 2, 2010	Valener completes its public offering Net proceeds of approximately $38 million: • Used to fully repay the outstanding balance of its credit facility • Balance to be used for general corporate purposes

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Gaz Métro's 2010 fiscal year highlights

- Adjusted net income [1] of $152.6 million ($1.27 per unit), down $7.0 million ($0.05 per unit) from 2009 fiscal year
- Decrease almost entirely due to non-recurring items
- In Quebec, natural gas very competitive in relation to all energy sources
  - Normalized natural gas deliveries up 6%
  - 7,745 new contracts signed, up 25%
  - Penetration rate in the new residential construction market in Montreal area reaches 30%, up 5%
  - Record short-term interruptible service sales in industrial market in terms of volume and revenues

(1) Adjusted to exclude the $26.1 million favourable non-monetary adjustment related to future income taxes in the 2010 fiscal year ($1.1 million unfavourable non-monetary adjustment in the 2009 fiscal year)

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Favourable competitive position of natural gas in Quebec contributes to overearnings

Fiscal year 2010
Overearnings:
$40.7 M

$13.7 M
to customers

$13.7 M: residual repayment of advance granted to Gaz Métro-QDA by its customers in 2010 rate case*

$20.3 M
to customers

$20.3 M: customers' share of residual overearnings

$6.7 M
to Gaz Métro

$6.7 M: contribution to Gaz Métro's net income (compared to $5.4 M in fiscal year 2009)

* Based on $6.7 million of anticipated productivity gains in 2011 rate case

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Gaz Métro's development projects

- Seigneurie de Beaupré wind power project
- Natural gas for transportation industry

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Gaz Métro's 2010 fiscal year results
Overview

(in millions of dollars, except for per unit data, in dollars)	Fiscal years ended Sept. 30		Change	
	2010	2009	$	%
CONSOLIDATED NET INCOME AND CASH FLOWS				
Revenues	2,020.4	2,249.2	(228.8)	(10.2%)
Gross margin	760.0	791.3	(31.3)	(4.0%)
Net income	178.7	158.5	20.2	12.7%
Adjusted net income (1)	152.6	159.6	(7.0)	(4.4%)
Adjusted net income, excluding non-recurring items (2)	151.3	152.2	(0.9)	(0.6%)
Cash flows related to operating activities (3)	392.0	442.0	(50.0)	(11.3%)
Net income per unit	$1.48	$1.32	0.16	12.1%
Adjusted net income per unit (1)	$1.27	$1.32	(0.05)	(3.8%)
Adjusted net income per unit, excluding non-recurring items (2)	$1.26	$1.26	-	-
Distributions paid per unit	$1.55	$1.24	0.31	25.0%
Weighted average number of units outstanding (in millions)	120.5	120.5	-	-
Number of units outstanding (in millions)	120.5	120.5	-	-
CONSOLIDATED BALANCE SHEETS				
Total assets	3,666.6	3,306.8	359.8	10.9%
Total debt	1,858.6	1,769.8	88.8	5.0%
Partners' equity	932.6	949.6	(17.0)	(1.8%)
Partners' equity per unit	$7.74	$7.88	(0.14)	(1.8%)
Debt/total capitalization ratio (%) (4)	66.6%	65.1%		
Return on average equity (%)	17.8%	15.5%		
Return on adjusted average equity (%) (1)	14.8%	15.2%		

(1) Adjusted to exclude the $26.1 million favourable non-monetary adjustment related to future income taxes in the 2010 fiscal year ($1.1 million unfavourable non-monetary adjustment in the 2009 fiscal year)
(2) Excluding impact of non-recurring items
(3) Before change in non-cash working capital items
(4) Would have been 63.0% had the $100 million unit issue been done on September 30, 2010

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Gaz Métro's 2010 fiscal year results
Cash flow summary

(in millions of dollars)	Fiscal years ended September 30		Change 2010 vs 2009
	2010	**2009** [1]	
Cash flows related to operating activities before change in non-cash working capital items	**392.0**	442.0	(50.0)
Change in non-cash working capital items	**(49.1)**	57.1	(106.2)
Cash flows related to operating activities	**342.9**	499.1	(156.2)
Maintenance CAPEX	**(116.9)**	(119.9)	3.0
Variations in deferred charges and credits and development of information technology [2]	**(89.0)**	(129.6)	40.6
Distributable cash	**137.0**	249.6	(112.6)
Distributions to Partners	**(186.7)**	(149.4)	(37.3)
Investments in development activities			
Development CAPEX	**(27.2)**	(32.0)	4.8
Increase in interest in a company subject to significant influence and other	**(12.7)**	(9.2)	(3.5)
Sale of subsidiary	**0.0**	7.4	(7.4)
	(39.9)	(33.8)	(6.1)
(Financing needs) surplus cash	**(89.6)**	66.4	(156.0)
Financing activities			
Unit issue	**0.0**	0.0	0.0
Other financing activities	**89.5**	(46.7)	136.2
	89.5	(46.7)	136.2
Impact of exchange rate fluctuations on cash and cash equivalents	**(1.3)**	(0.1)	(1.2)
Net increase (decrease) in cash and cash equivalents	**(1.4)**	19.6	(21.0)

(1) Figures from the year ended September 30, 2009 have been modified to reflect certain reclassifications made to the consolidated balance sheet
(2) Deferred charges and credits will be recovered from / returned to customers in accordance with regulatory framework

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Gaz Métro's fiscal year 2010 cash flow summary

- $50.0 million decrease in cash flows related to operating activities explained by:
  - Lower consumption by natural gas customers in Quebec, on account of warmer temperatures
  - Decrease in future income taxes
  - Decrease in the amortization of deferred charges and credits, financing costs and intangible assets
- $106.2 million unfavourable change in non-cash working capital items explained by:
  - Higher level of receivables since fewer receivables were assigned to the securitization trust
  - Impact from less substantial decrease in price of natural gas in fiscal 2010 as compared to fiscal 2009

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Gaz Métro's fiscal year 2010 cash flow summary (cont'd)

- $40.6 million decrease in investments in deferred charges and credits and development of information technology explained by:
  - Increase in customers' share of overearnings
  - Timing difference between revenues and costs associated with Green Fund duty
  - Non-cash adjustment for pension plans due to application of CICA Handbook Section 1100

  Partially offset by:
  - Higher increase in deferred charges related to the cost of energy

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Gaz Métro segment results
Energy distribution segment – in Quebec

In millions of dollars	2010	2009	Change $
	Fiscal years ended September 30		
Energy distribution			
Net income			
Gaz Métro - QDA	**115.9**	118.1	(2.2)
Regie's decision on annual report for 2008 fiscal year	**-**	(0.8)	0.8
Net income, excluding non-recurring items	**115.9**	117.3	(1.4)

- Reduction in income and capital taxes included in rates charged to customers and subsequently borne by Gaz Métro's Partners
- Decrease in average rate base

Partially offset by:

- $1.3 million increase in Gaz Métro's share of overearnings
- 0.26% increase over previous fiscal year in authorized ROE (from 8.94% to 9.20%)

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Energy distribution segment – in Quebec
Normalized natural gas deliveries (1)

	Fiscal years ended Sept. 30		Change	
	2010	2009	Bcf	%
(in billions of cubic feet)				
Markets				
Industrial firm	65.6	62.7	2.9	4.6%
Industrial interruptible	26.7	22.2	4.5	20.5%
Total industrial	92.3	84.9	7.4	8.7%
Commercial	79.1	75.1	4.0	5.3%
Residential	20.5	21.1	(0.6)	(2.7%)
TOTAL	**191.9**	**181.1**	**10.8**	**6.0%**

	Fiscal years ended Sept. 30		Change	
	2010	2009	10^6m^3	%
(in millions of cubic metres)				
Markets				
Industrial firm	1,858	1,777	81	4.6%
Industrial interruptible	757	628	129	20.5%
Total industrial	2,615	2,405	210	8.7%
Commercial	2,241	2,128	113	5.3%
Residential	581	597	(16)	(2.7%)
TOTAL	**5,437**	**5,130**	**307**	**6.0%**

(1) Volumes normalized for temperature and wind velocity
Conversion factor: 1 billion cubic feet = 28.328 million cubic metres
Differences due to rounding

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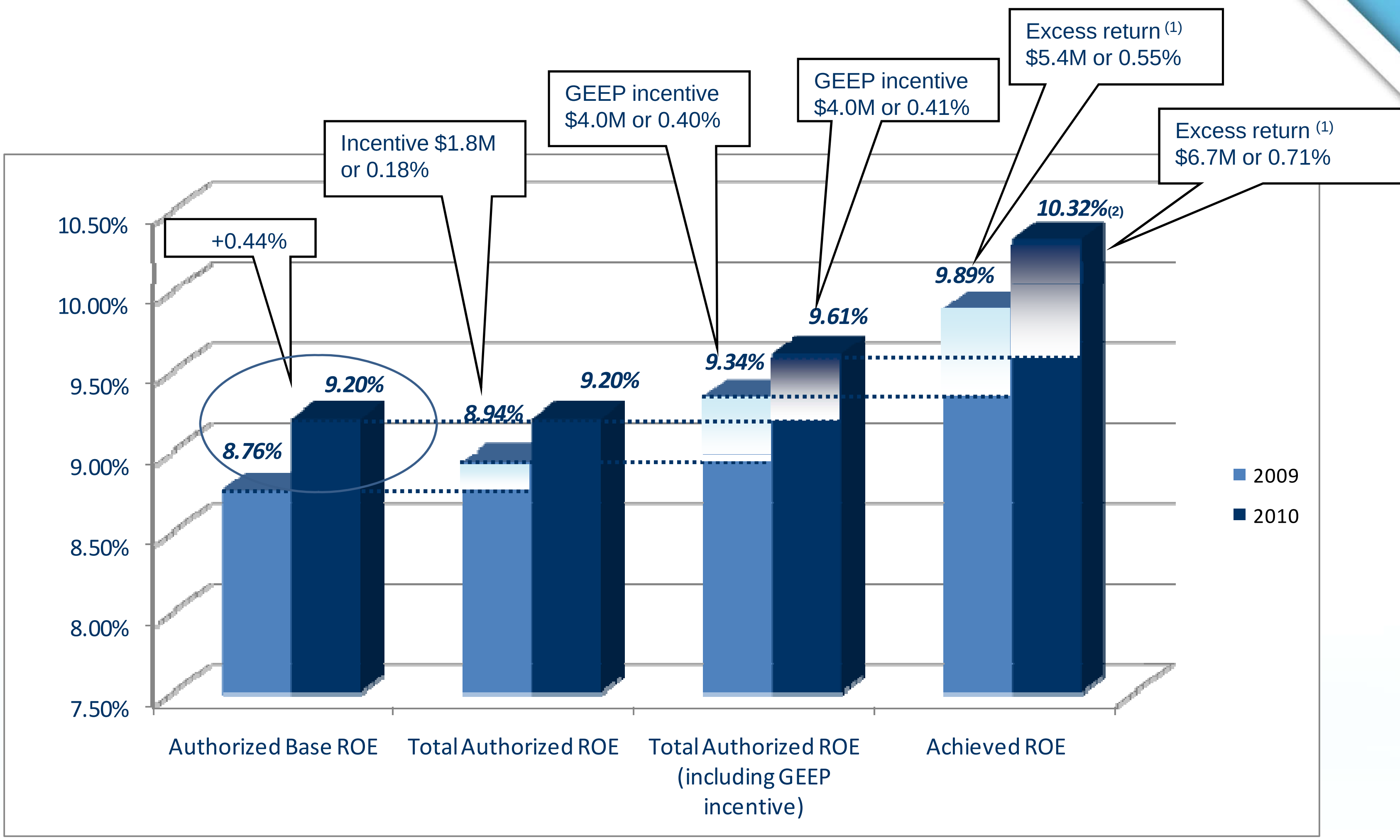
Energy distribution segment – in Quebec
Achieved ROE



(1) Excess return (or overearnings) shared 75% with customers. Amount shown is Gaz Métro's share (25%).
(2) Achieved ROE in 2010 subject to Régie's approval.

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Gaz Métro segment results
Energy distribution segment – in Vermont

In millions of dollars	Fiscal years ended September 30 2010	2009	Change $
Energy distribution in Vermont			
Net income			
VGS and GMP	**19.7**	22.4	(2.7)
Financing costs of investments in segment	**(4.0)**	(4.9)	0.9
	15.7	17.5	(1.8)
Realized gain on sale of investment held by GMP	**(0.8)**	-	(0.8)
Net income, excluding non-recurring items	**14.9**	17.5	(2.6)

- Lower natural gas deliveries by Vermont Gas Systems, Inc. (VGS) as a result of warmer temperatures
- Depreciation of US dollar in relation to Canadian dollar ($2.8 million)

Partially offset by:

- Reduction in operating expenses ($1.7 million)
- Gain on sale of an investment owned by Green Mountain Power Corporation (GMP) ($0.8 million)

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Energy distribution segment – in Vermont
Natural gas and electricity volumes

	Fiscal years ended September 30		Change	
	2010	2009		%
Natural gas deliveries in Vermont				
(in billions of cubic feet)				
TOTAL	**8.3**	8.8	**(0.5)**	**(5.6%)**
(in millions of cubic metres)				
TOTAL	**234**	248	**(14)**	**(5.6%)**

	Fiscal years ended September 30		Change	
	2010	2009		%
Electricity distributed in Vermont				
(in gigawatthours)				
TOTAL	**1,901**	1,886	**15**	**0.8%**

Conversion factor: 1 billion cubic feet = 28.328 million cubic metres
Differences due to rounding

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Gaz Métro segment results
Natural gas transportation segment

In millions of dollars	Fiscal years ended September 30 2010	2009	Change $
Natural gas transportation			
Net income			
TQM, PNGTS and Champion	**20.7**	22.8	(2.1)
Financing costs of investments in segment	**(3.9)**	(4.4)	0.5
	16.8	18.4	(1.6)
Favourable NEB decision on TQM's authorized rate of return for 2007 and 2008, including interest	-	(7.5)	7.5
Interim rate adjustment for TQM's 2009 fiscal year approved by NEB	**(2.9)**	-	(2.9)
Income tax recovery at PNGTS level	**(1.2)**	-	(1.2)
Net income, excluding non-recurring items	**12.7**	10.9	1.8

- Recognition during 2009 fiscal year of the favourable retroactive impact of a $6.7 million rate adjustment the National Energy Board (NEB) allowed Trans Québec & Maritimes Pipeline Inc. (TQM) for its 2007 and 2008 fiscal years, and related interest income of $0.8 million

Partially offset by:

- Recognition during 2010 fiscal year of a $2.9 million favourable impact of an interim rate adjustment for the 2009 fiscal year approved by the NEB for TQM
- Lower operating expenses and financial expenses for TQM

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Gaz Métro segment results
Natural gas storage segment

In millions of dollars	Fiscal years ended September 30 2010	2009	Change $
Natural gas storage			
Net income			
Intragaz	**7.1**	6.6	0.5
Financing costs of investments in segment	**(1.7)**	(2.0)	0.3
Non-monetary impact related to future income taxes	**25.1**	(0.7)	25.8
	30.5	3.9	26.6
Non-monetary impact related to future income taxes	**(25.1)**	0.7	(25.8)
Adjusted net income	**5.4**	4.6	0.8

→ Slight indexation of rates and lower financial expenses

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Gaz Métro's segment results
Energy services and other segment

In millions of dollars	Fiscal years ended September 30 2010	2009	Change $
Energy services and other			
Net income			
Energy, water and fibreoptic	**8.4**	6.7	1.7
Financing costs of investments in segment	**(1.6)**	(2.0)	0.4
Non-monetary impact related to future income taxes	**2.7**	(1.0)	3.7
	9.5	3.7	5.8
Non-monetary impact related to future income taxes	**(2.7)**	1.0	(3.7)
Adjusted net income	**6.8**	4.7	2.1
Legal settlement of a dispute involving HydroSolution	**(2.3)**	-	(2.3)
Gain on sale of Teldig Systems Inc.	**(0.8)**	-	(0.8)
Recognition of one-third of the gain on the sale of 50% of units of CCUM	-	(2.0)	2.0
Write-down of goodwill related to Aqua-Rehab Inc.	-	1.6	(1.6)
Adjusted net income, excluding non-recurring items	**3.7**	4.3	(0.6)

- Favourable $2.3 million settlement during the third quarter of the current fiscal year of a dispute involving HydroSolution, L.P.
- $1.6 million write-down of the Aqua-Rehab Inc. goodwill during fiscal 2009
- Increased profitability of HydroSolution, L.P.
- Sale of all shares of Teldig Systems Inc. which generated a gain of $0.8 million

Partially mitigated by:

- Recognition of $2.0 million in fiscal 2009, being the last third of the gain on the sale of 50% of the units of Climatisation et Chauffage Urbains de Montréal, s.e.c. (CCUM) to Dalkia Canada Inc. in February 2006
- Increase in Gaz Métro Plus L.P.'s administration costs in connection with the reorganization of its technical services

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Gaz Métro's segmented results
Corporate affairs and other segment

In millions of dollars	Fiscal years ended September 30 2010	2009	Change $
Corporate affairs and other			
Corporate affairs and other	**(8.0)**	(3.7)	(4.3)
Non-monetary impact related to future income taxes	**(1.7)**	0.6	(2.3)
	(9.7)	(3.1)	(6.6)
Non-monetary impact related to future income taxes	**1.7**	(0.6)	2.3
Adjusted net loss	**(8.0)**	(3.7)	(4.3)
Expenses related to corporate reorganization	**6.7**	1.3	5.4
Adjusted net loss, excluding non-recurring items	**(1.3)**	(2.4)	1.1

- Higher expenses related to corporate reorganization

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Gaz Métro's adjusted consolidated net income, net of financing costs of investments

In millions of dollars, except for unit data, in dollars	3 months ended September 30				Fiscal Year ended September 30			
			Change				Change	
	2010	2009	$	%	2010	2009	$	%
Energy distribution								
Gaz Métro - QDA	**(42.4)**	(41.3)	(1.1)		**115.9**	118.1	(2.2)	
VGS and GMP	**4.6**	2.2	2.4		**15.7**	17.5	(1.8)	
Non-recurring items	-	-	-		**(0.8)**	(0.8)	-	
	(37.8)	(39.1)	1.3		**130.8**	134.8	(4.0)	
Natural gas transportation	**1.8**	0.7	1.1		**16.8**	18.4	(1.6)	
Non-recurring items	-	-	-		**(4.1)**	(7.5)	3.4	
	1.8	0.7	1.1		**12.7**	10.9	1.8	
Natural gas storage	**27.2**	1.1	26.1		**30.5**	3.9	26.6	
Non-monetary impact related to future income taxes	**(25.6)**	-	(25.6)		**(25.1)**	0.7	(25.8)	
	1.6	1.1	0.5		**5.4**	4.6	0.8	
Energy services and other	**5.0**	1.2	3.8		**9.5**	3.7	5.8	
Non-monetary impact related to future income taxes	**(3.4)**	0.2	(3.6)		**(2.7)**	1.0	(3.7)	
Non-recurring items	-	-	0.0		**(3.1)**	(0.4)	(2.7)	
	1.6	1.4	0.2		**3.7**	4.3	(0.6)	
Corporate affairs and other	**(6.6)**	(0.2)	(6.4)		**(9.7)**	(3.1)	(6.6)	
Non-monetary impact related to future income taxes	**1.5**	(0.6)	2.1		**1.7**	(0.6)	2.3	
Non-recurring items	**4.7**	0.3	4.4		**6.7**	1.3	5.4	
	(0.4)	(0.5)	0.1		**(1.3)**	(2.4)	1.1	
Adjusted net income, excluding non-recurring items (1)	**(33.2)**	(36.4)	3.2	*(8.8%)*	**151.3**	152.2	(0.9)	*(0.6%)*
Non-recurring items	**(4.7)**	(0.3)	(4.4)		**1.3**	7.4	(6.1)	
Adjusted net income (2)	**(37.9)**	(36.7)	(1.2)	*3.3%*	**152.6**	159.6	(7.0)	*(4.4%)*
Non-monetary impact related to future income taxes	**27.5**	0.4	27.1		**26.1**	(1.1)	27.2	
Net income	**(10.4)**	(36.3)	25.9	*(71.3%)*	**178.7**	158.5	20.2	*12.7%*
Adjusted net income per unit, excl. non-recurring items (1)	**$ (0.27)**	$ (0.31)	$ 0.04	*(12.9%)*	**$ 1.26**	$ 1.26	$ -	*0.0%*
Adjusted net income per unit (2)	**$ (0.31)**	$ (0.31)	$ -	*0.0%*	**$ 1.27**	$ 1.32	$ (0.05)	*(3.8%)*
Net income per unit	**$ (0.09)**	$ (0.30)	$ 0.21	*(70.0%)*	**$ 1.48**	$ 1.32	$ 0.16	*12.1%*

(1) Excluding non-monetary impact related to future income taxes and impact of non-recurring items
(2) Excluding non-monetary impact related to future income taxes

Q&A Session

Appendix A

Gaz Métro-QDA - Current competitive position of natural gas in Quebec

Market	Main competitors	How competitive is natural gas? (1)
Industrial Ex.: Large companies in petrochemical, metallurgy, etc. industries	**#6 Fuel Oil**	**Short term: spot price significantly lower** **Long-term: less expensive, more flexible and less polluting**
Commercial & Institutional Ex.: Hospitals, schools, restaurants, etc.	**Electricity**	**Small business: 17% cheaper** **Large business: 37% cheaper**
	#2 Fuel Oil	**Small business: 29% cheaper** **Large business: 46% cheaper**
Residential heating (2)	**Electricity**	**6% to 17% cheaper**
	#2 Fuel Oil	**18% to 25% cheaper**

(1) As at November 1st, 2010. Current market prices.
(2) Using high efficiency equipment.

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Appendix B
Gaz Métro-QDA - Targeting new customers

	Fiscal year 2010	Fiscal year 2009	Change	Change (%)
Total new contracts signed in residential and commercial markets	7,745 (1)	6,196 (1)	1,549	25.0%
Number of customers	182,258	179,370	2,888	1.6%

(1) Including 766 additional sales to existing customers in 2010 (647 in 2009)

→ New contracts signed in 2010 contributed to 2010 revenues or will do so in future fiscal years

→ New contracts include additional sales to existing customers which translate into additional revenues but not into additional customers

→ The greater number of new contracts signed reflects the slight improvement in the economy and the competitiveness of natural gas

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