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Fiscal 2011 First Quarter Results Conference Call

February 14, 2011

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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 Limited Partnership (Gaz Métro), and acting as manager of 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 Gaz Métro and Valener to differ significantly from the results discussed in the forward-looking statements, including, but not limited to, with respect to Gaz Métro and Valener, the decisions rendered by regulatory agencies, general economic conditions, the competitiveness of natural gas in relation to other energy sources, the reliability of natural gas supply, the reliability of electricity supply, the integrity of the natural gas distribution system, exchange rate fluctuations, progress on development projects such as the Seigneurie de Beaupré wind power projects, and with respect to Valener alone, the uncertainty related to future dividend payments, the uncertainty related to Valener's capacity to finance its share in the development of the Seigneurie de Beaupré wind power projects, and other factors described in the "Risk Factors of the Company" and "Risk Factors of the Partnership" sections of Valener's Management's Discussion and Analysis for the year ended September 30, 2010 and in Valener's and Gaz Metro'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, that Gaz Métro will be able to continue distributing substantially all of its net income (excluding non-recurring items), that the Seigneurie de Beaupré wind power projects will be completed on schedule and as per specification, and the other assumptions described in Valener's Management's Discussion and Analysis for the first quarter ended December 31, 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 to not place undue reliance on these forward-looking statements.

Non-GAAP financial measures

In the opinion of the management 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, 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

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Valener's fiscal 2011 first quarter highlights

- Valener acquired its 29% interest in Gaz Métro on September 30, 2010
- First financial quarter for Valener
- Valener's net income of $11.1 million ($0.31 per share) consists mainly of:
  - $17.6 million share in earnings of Gaz Métro
  - $5.9 million income tax expense
- Total assets as at December 31, 2010: $682.5 million

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Valener's recent developments

- October 7, 2010: subscription to Gaz Métro's capital, in proportion to current interest in Gaz Métro, i.e., 1,707,010 Gaz Métro units, for total cash consideration of approximately $29.0 million
- November 2, 2010: public issue of 2,344,302 common shares at a per-share price of $17.30 for total cash consideration of approximately $38.3 million, net of issuance costs
- December 20, 2010: $2.9 million[(1)] purchase of a 24.5% indirect interest in Seigneurie Beaupré wind power projects upon exercising option granted by Gaz Métro as part of its corporate reorganization

[(1)] Subject to certain adjustments

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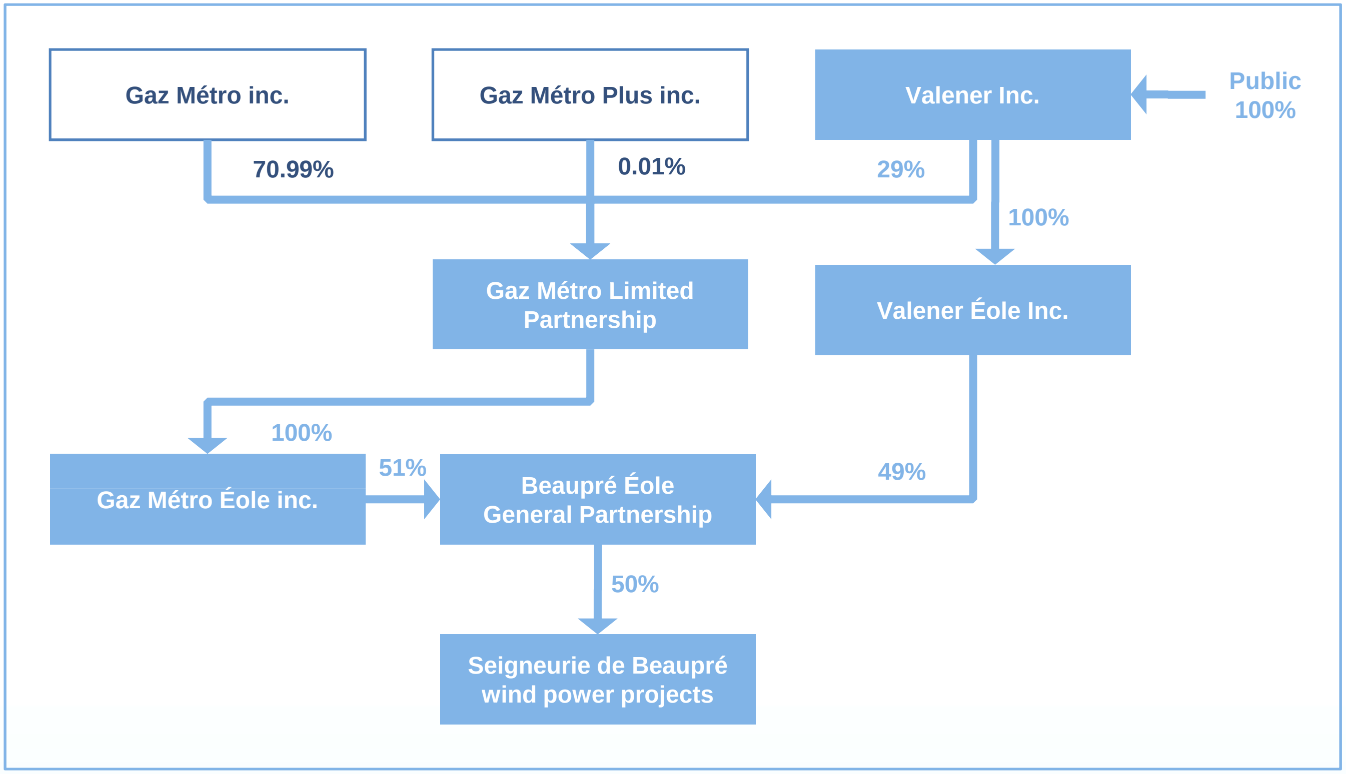
Corporate structure of Valener and Gaz Métro

(as at December 31, 2010)



This corporate structure does not include the other subsidiaries, joint ventures and companies subject to significant influence of Gaz Métro Limited Partnership.

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Seigneurie de Beaupré wind power projects

Developed by:
- **Beaupré Éole General Partnership**
- **Boralex Inc.**

Ownership:
- **Valener: 24.5%**
- **Gaz Métro: 25.5%[(1)]**
- **Boralex Inc.: 50%**

Located on the private land of the Séminaire de Québec

Seigneurie de Beaupré wind farms 2 and 3:
- Total installed capacity: 272 MW
- Expected commissioning: December 2013

Seigneurie de Beaupré wind farm 4:
- Total installed capacity: 69 MW
- Expected commissioning: December 2014

(1) Valener will also benefit from its 29% ownership interest in Gaz Métro

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Valener declares quarterly dividend

- Valener's Board of Directors declared a quarterly dividend of $0.25 per share
- Payable on April 15, 2011
- To shareholders of record on March 31, 2011
- Under Dividend Reinvestment Plan, Valener's Board has approved:
  - Issue of new common shares
  - 2% discount from weighted average price

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Flow of distributions from Gaz Métro to Valener

Distributions from Gaz Métro to Valener	Dividends from Valener to its shareholders
Paid January 5, 2011: (2) Valener's share: $10.3 million Additional distribution: (1) $2.2 million	**Paid January 17, 2011:** (2) $9.3 million (or $0.25 per share)
Payable April 1, 2011: (3) Valener's share: $10.3 million Additional distribution: (1) $2.2 million	**Payable April 15, 2011:** (3) $9.3 million (or $0.25 per share)

(1) The share of Gaz Métro's distributions plus an increase in Gaz Métro's distributions otherwise payable to Valener in an amount of $2.2 million. This increase in Gaz Métro's distributions otherwise payable to Valener will total $6.7 million for each of the 2011, 2012 and 2013 fiscal years as part of Gaz Métro's corporate reorganization.

(2) Declared on November 18, 2010

(3) Declared on February 11, 2011

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Gaz Métro’s fiscal 2011 first quarter highlights

- Net income of $60.7 million, down $17.4 million from fiscal 2010 first quarter
- Decrease almost entirely due to natural gas distribution activity in Québec
  - Impact of 2011 rate case
  - Temporary timing difference between revenue recognition profile, which follows customers’ consumption profile, and that of costs
    - This decrease in net income is expected to partially reverse in coming quarters
- In Québec, natural gas continues to be very competitive in relation to all energy sources

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Valener's fiscal 2011 first quarter results
Overview

(in millions of dollars, except for per unit data, in dollars)	First quarter ended Dec. 31 2010
	(unaudited)
CONSOLIDATED INCOME AND CASH FLOWS	
Share in earnings of Gaz Métro Limited Partnership	17.6
Net income	11.1
Cash flows related to operating activities	(1.5)
Basic and diluted net income per share	$0.31
Dividends declared per share	$0.25
Weighted average number of shares outstanding (in millions)	36.4
Number of shares outstanding (in millions)	37.3

CONSOLIDATED BALANCE SHEETS

	December 31, 2010	September 30, 2010	Change	
	(unaudited)	(audited)	$	%
Total assets	682.5	631.3	51.2	8.1%
Shareholders' equity	624.8	589.1	35.7	6.1%
Shareholders' equity per share	$16.76	$16.86	(0.10)	(0.6%)

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Valener's fiscal 2011 first quarter results
Cash flow summary

(in millions of dollars)	First quarter ended Dec. 31 2010
Cash flows related to operating activities	
before change in non-cash working capital items	**(7.6)**
Change in non-cash working capital items	**6.1**
Cash flows related to operating activities	**(1.5)**
Purchases of interests in entities subject to significant influence	**(30.5)**
Dividends to shareholders	**0.0**
Financing requirements	**(32.0)**
Financing activities	
Share issuance	**38.3**
Other financing activities	**0.0**
Net increase in cash and cash equivalents	**6.3**

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Gaz Métro’s fiscal 2011 first quarter results
Overview

(in millions of dollars, except for per unit data, in dollars)	First quarter ended December 31		Change
	2010	2009	$
CONSOLIDATED NET INCOME AND CASH FLOWS			
Revenues	577.8	602.7	(24.9)
Gross margin	210.0	226.8	(16.8)
Net income	60.7	78.1	(17.4)
Adjusted net income (1)	60.7	79.1	(18.4)
Adjusted net income, excluding non-recurring items	59.6	74.2	(14.6)
Distributions paid to Partners	0.0	37.3	(37.3)
Cash flows related to operating activities (2)	132.0	149.1	(17.1)
Net income per unit	$0.48	$0.65	(0.17)
Adjusted net income per unit (1)	$0.48	$0.66	(0.18)
Adjusted net income per unit, excluding non-recurring items	$0.47	$0.62	(0.15)
Weighted average number of units outstanding (in millions)	126.0	120.5	5.5
Number of units outstanding (in millions)	126.3	120.5	5.8
CONSOLIDATED BALANCE SHEETS			
Total assets	3,689.8	3,529.8	160.0
Total debt	1,731.3	1,784.3	(53.0)
Partners' equity	1,050.5	986.5	64.0
Debt/total capitalization ratio (%)	62.2%	64.4%	(2.2%)

(1) Adjusted to exclude a $1.0 million unfavourable non-monetary adjustment related to future income taxes for the first quarter of fiscal 2010. Since September 30, 2010, as a result of its reorganization, Gaz Métro no longer has to account for future income tax adjustments.

(2) Before change in non-cash working capital items

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Gaz Métro's fiscal 2011 first quarter results
Cash flow summary

(in millions of dollars)	First quarter ended December 31		Change 2010 vs 2009
	2010	**2009** [(1)]	
Cash flows related to operating activities before change in non-cash working capital items	**132.0**	149.1	(17.1)
Change in non-cash working capital items	**(46.1)**	(71.9)	25.8
Cash flows related to operating activities	**85.9**	77.2	8.7
Maintenance CAPEX	**(29.2)**	(29.9)	0.7
Changes in deferred charges and credits and intangible assets [(2)]	**(38.3)**	(26.8)	(11.5)
Distributable cash	**18.4**	20.5	(2.1)
Distributions paid to Partners [(1)]	**0.0**	(37.3)	37.3
Investments in development activities			
Development CAPEX	**(9.6)**	(8.4)	(1.2)
Increase in interest in a company subject to significant influence and other	**(25.0)**	(12.6)	(12.4)
Partial disposal of an interest	**1.6**	-	1.6
	(33.0)	(21.0)	(12.0)
(Financing needs) surplus cash	**(14.6)**	(37.8)	23.2
Financing activities			
Unit issue	**99.9**	-	99.9
Other financing activities	**(118.5)**	20.0	(138.5)
	(18.6)	20.0	(38.6)
Impact of exchange rate fluctuations on cash and cash equivalents	**(0.8)**	(0.6)	(0.2)
Net increase (decrease) in cash and cash equivalents	**(34.0)**	(18.4)	(15.6)

(1) No distributions were made in the first quarter of the 2011 fiscal year, given that, as part of the corporate reorganization, a distribution of $0.31 per unit was paid on September 30, 2010 instead of October 1, 2010.

(2) Deferred charges and credits will be recovered from / returned to customers in accordance with regulatory framework

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Gaz Métro-QDA
Outlook for 2011 fiscal year (based on rate case approved by Régie)

(in millions of $)

	2011 Rate Case	2010 Rate Case	FY 2010 reported net income
Rate Base	***1,771.7***	***1,782.0***	
Authorized Net Income:			
Authorized base earnings [1]	**61.0**	**62.5**	
Dividends on preferred shares [2]	**7.0**	**6.8**	
Income taxes	**29.9**	**34.4**	
Capital tax	**0.5**	**2.7**	
	98.4	**106.3**	
Performance incentive mechanism [3]	**0.0**	**0.0**	
Net income before GEEP [4] **performance incentive**	**98.4**	**106.3**	
GEEP [4] **performance incentive**	**4.0**	**4.0**	
Net income	**102.4**	**110.3**	**$115.9**

[1] Net of financial charges related to capitalized interest on transitory accounts before their integration in the rate base
[2] Based on deemed capital structure
[3] Gaz Métro's share (50%) of anticipated productivity gains before tax
[4] Global Energy Efficiency Plan – Maximum per year assumed (before tax)
Differences due to rounding

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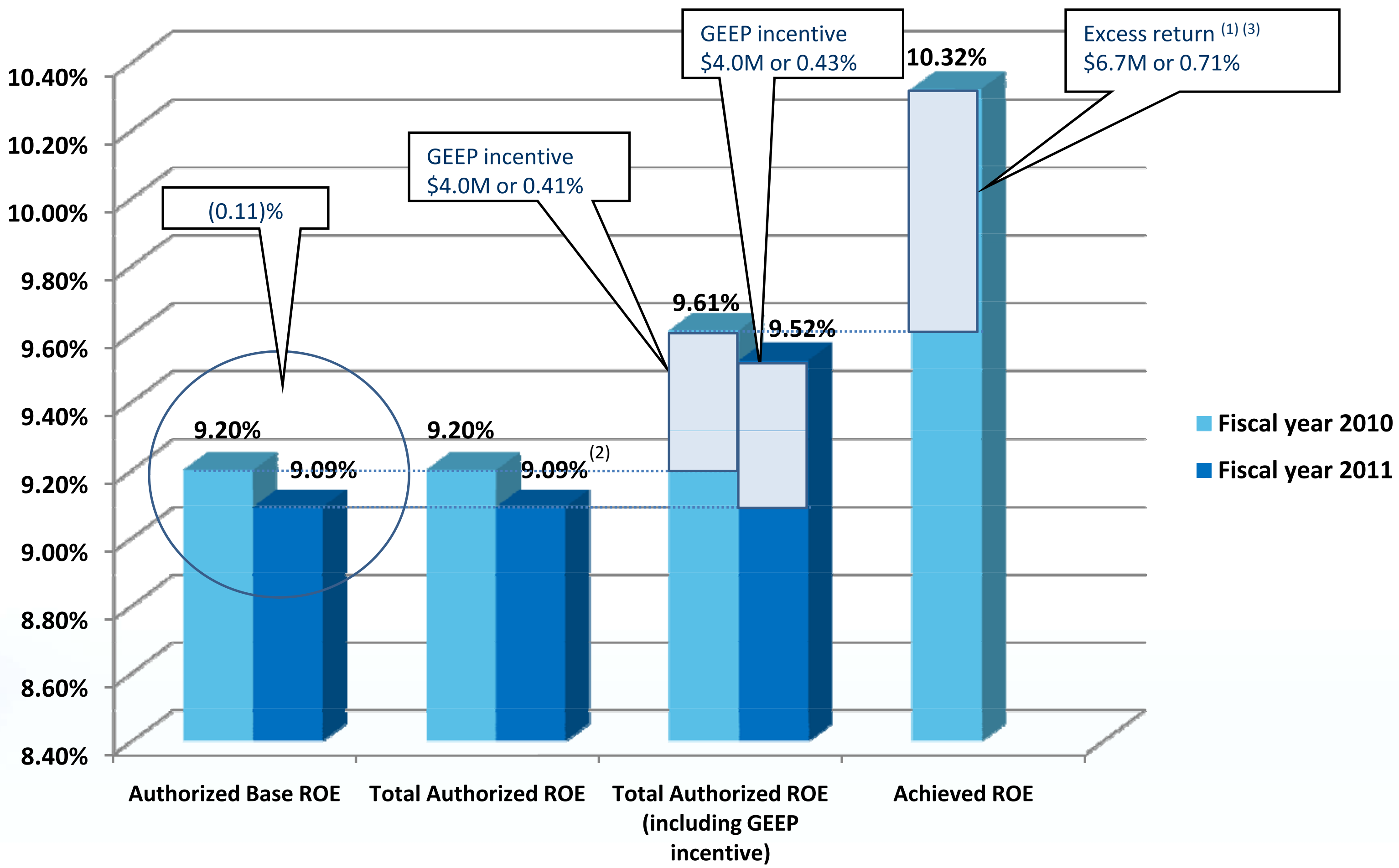
Gaz Métro-QDA
Outlook for 2011 fiscal year



[1] Excess return (or overearnings) shared 75% with customers as per incentive mechanism. Amount shown is Gaz Métro's share (25%). For 2010 fiscal year, Gaz Métro had to reimburse anticipated productivity loss to customers before it could share into overearnings.

[2] $6.3 million in anticipated productivity gains in 2011 to be returned entirely to customers as repayment of 2010 anticipated productivity loss.

[3] Achieved ROE in 2010 subject to Régie's approval.

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Gaz Métro segment results
Energy distribution segment – in Quebec

In millions of dollars	First quarter ended December 31 2010	2009	Change $
Energy distribution			
Net income			
Gaz Métro - QDA	**47.2**	64.6	(17.4)

- Lower revenues reflecting the 2011 rate case
- Higher operating and maintenance expenses and higher transportation and load-balancing costs

Partly offset by:

- Provision recognized during first quarter of 2010 fiscal year in relation to Gaz Métro-QDA's anticipated overearnings

The decrease in net income resulting from higher operating and maintenance expenses is expected to partially reverse in the coming quarters, as it stems from a temporary timing difference between the revenue recognition profile, which follows the customers' consumption profile, and that of costs.

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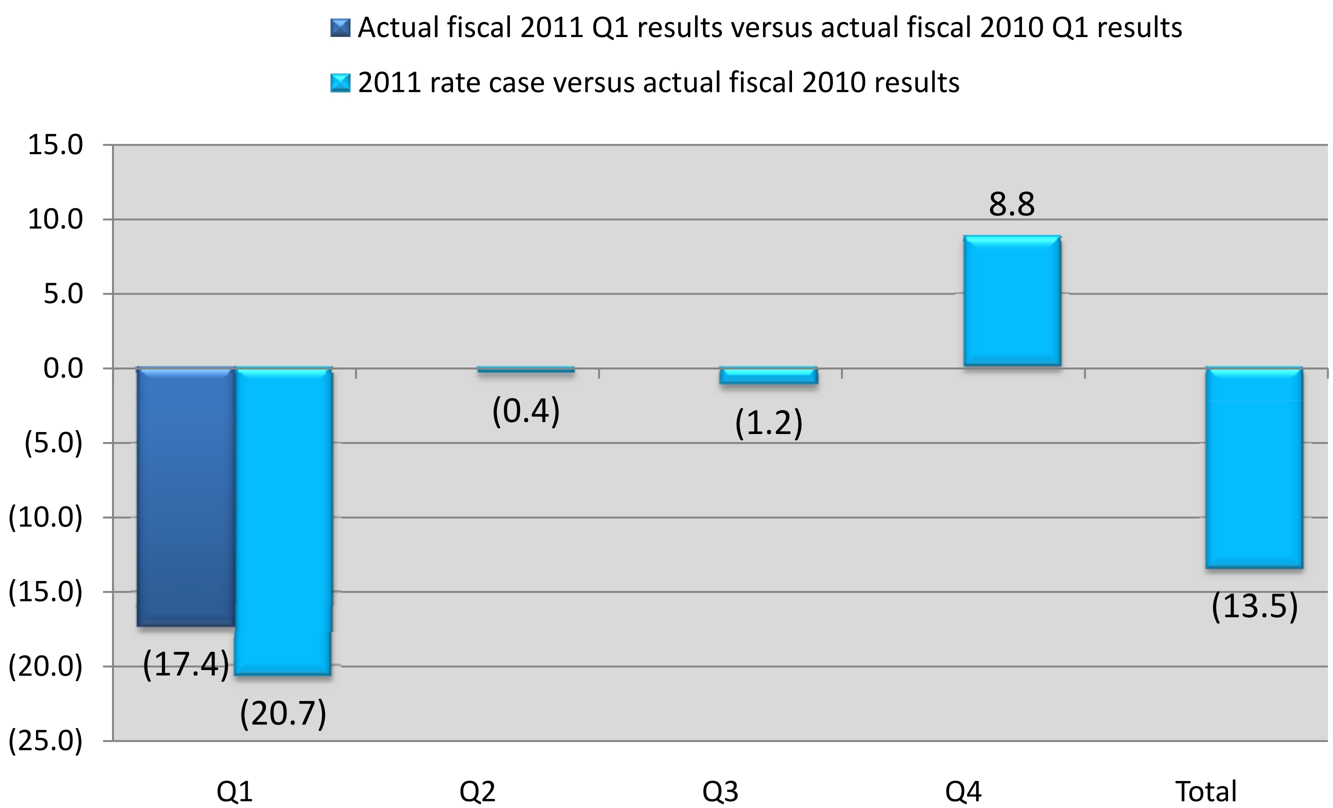
Gaz Métro-QDA
Distribution of net income per quarter

In millions of $



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

	First quarter ended December 31		Change	
	2010	2009	Bcf	%
(in billions of cubic feet)				
Markets				
Industrial firm	18.0	18.4	(0.4)	(2.3%)
Industrial interruptible	8.0	7.2	0.8	11.3%
Total industrial	26.0	25.6	0.4	1.5%
Commercial	22.7	24.1	(1.4)	(6.1%)
Residential	6.3	6.9	(0.6)	(6.7%)
TOTAL	**55.0**	**56.6**	**(1.6)**	**(2.7%)**

	First quarter ended December 31		Change	
	2010	2009	$10^6 m^3$	%
(in millions of cubic metres)				
Markets				
Industrial firm	510	522	(12)	(2.3%)
Industrial interruptible	226	203	23	11.3%
Total industrial	736	725	11	1.5%
Commercial	642	684	(42)	(6.1%)
Residential	181	194	(13)	(6.7%)
TOTAL	**1,559**	**1,603**	**(44)**	**(2.7%)**

- **Industrial:** Heavier consumption, particularly in the refinery and petrochemical sector
- **Residential and commercial:** energy conservation measures and application of new methodology for establishing a normal temperature

(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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Gaz Métro segment results
Energy distribution segment – in Vermont

	First quarter ended December 31		
In millions of dollars	2010	2009	Change $
Energy distribution in Vermont			
Net income			
VGS and GMP	**6.0**	4.8	1.2
Financing costs of investments in segment	**(1.0)**	(1.0)	-
	5.0	3.8	1.2

- Higher deliveries for VGS and GMP due partly to colder temperatures
- Decrease in GMP's operating expenses as more resources were allocated to projects that can be capitalized
- 3.1% increase in GMP's rates

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Energy distribution segment – in Vermont
Natural gas and electricity volumes

	First quarter ended December 31		Change	
	2010	2009		%
Natural gas deliveries in Vermont				
(in billions of cubic feet)				
TOTAL	**2.7**	2.5	**0.2**	**4.2%**
(in millions of cubic metres)				
TOTAL	**75**	72	**3**	**4.2%**

	First quarter ended December 31		Change	
	2010	2009		%
Electricity distributed in Vermont				
(in gigawatthours)				
TOTAL	**465**	457	**8**	**1.8%**

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

	First quarter ended December 31		
			Change
In millions of dollars	**2010**	**2009**	**$**
Natural gas transportation			
Net income			
TQM, PNGTS and Champion	**5.7**	8.7	(3.0)
Financing costs of investments in segment	**(1.0)**	(0.9)	(0.1)
	4.7	7.8	(3.1)
Interim rate adjustment for TQM's 2009 fiscal year approved by NEB	-	(2.9)	2.9
Income tax recovery at PNGTS level (net of income taxes)	-	(1.2)	1.2
Net income, excluding non-recurring items	**4.7**	3.7	1.0

→ Decrease in TQM's amortization and financial expenses

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Gaz Métro segment results
Natural gas storage segment

	First quarter ended December 31		
			Change
In millions of dollars	**2010**	**2009**	**$**
Natural gas storage			
Net income			
Intragaz Group	**1.8**	1.2	0.6
Financing costs of investments in segment	**(0.4)**	(0.5)	0.1
	1.4	0.7	0.7
Non-monetary impact related to future income taxes	**-**	0.5	(0.5)
Adjusted net income	**1.4**	1.2	0.2

→ Indexation of rates

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Gaz Métro's segment results
Energy services and other segment

	First quarter ended December 31		
			Change
In millions of dollars	**2010**	**2009**	**$**
Energy services and other			
Net income			
Energy, water and fibreoptic	**2.4**	2.0	0.4
Financing costs of investments in segment	**(0.4)**	(0.4)	0.0
	2.0	1.6	0.4
Non-monetary impact related to future income taxes	-	0.1	(0.1)
Adjusted net income	**2.0**	1.7	0.3
Gain on sale of Teldig Systems Inc.	-	**(0.8)**	0.8
Adjusted net income, excluding non-recurring items	**2.0**	0.9	1.1

- Increase in MTO Telecom Inc.'s net income due to completion of a major fibre optic network contract
- Improved profitability at Servitech Energy L.P. stemming from greater demand for its turnkey services in heating, air conditioning and plumbing for the industrial, institutional and commercial markets

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Gaz Métro's segmented results
Corporate affairs and other segment

In millions of dollars	First quarter ended December 31 2010	2009	Change $
Corporate affairs and other			
Net income (loss)	**0.4**	(0.4)	0.8
Non-monetary impact related to future income taxes	**-**	0.4	(0.4)
Adjusted net income	**0.4**	0.0	0.4
Gain realized by Gaz Métro Éole on the sale of 49.0% of its interest in the Seigneurie projects	**(1.1)**	**-**	(1.1)
Adjusted net loss, excluding non-recurring items	**(0.7)**	-	(0.7)

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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	First quarter ended December 31		Change	
	2010	**2009**	**$**	**%**
Energy distribution				
Gaz Métro - QDA	**47.2**	64.6	(17.4)	
VGS and GMP	**5.0**	3.8	1.2	
	52.2	68.4	(16.2)	
Natural gas transportation	**4.7**	7.8	(3.1)	
Non-recurring items	**-**	(4.1)	4.1	
	4.7	3.7	1.0	
Natural gas storage	**1.4**	0.7	0.7	
Non-monetary impact related to future income taxes (1)	**-**	0.5	(0.5)	
	1.4	1.2	0.2	
Energy services and other	**2.0**	1.6	0.4	
Non-monetary impact related to future income taxes (1)	**-**	0.1	(0.1)	
Non-recurring items	**-**	(0.8)	0.8	
	2.0	0.9	1.1	
Corporate affairs and other	**0.4**	(0.4)	0.8	
Non-monetary impact related to future income taxes (1)	**-**	0.4	(0.4)	
Non-recurring items	**(1.1)**	-	(1.1)	
	(0.7)	-	(0.7)	
Adjusted net income, excluding non-recurring items	**59.6**	74.2	(14.6)	*(19.7%)*
Non-recurring items	**1.1**	4.9	(3.8)	
Adjusted net income	**60.7**	79.1	(18.4)	*(23.3%)*
Non-monetary impact related to future income taxes (1)	**-**	(1.0)	1.0	
Net income	**60.7**	78.1	(17.4)	*(22.3%)*
Adjusted net income per unit, excl. non-recurring items	**0.47**	0.62	(0.15)	*(24.2%)*
Adjusted net income per unit	**0.48**	0.66	(0.18)	*(27.3%)*
Net income per unit	**0.48**	0.65	(0.17)	*(26.2%)*

(1) Adjustment to future income taxes related to Gaz Métro's subsidiaries and joint ventures formed as limited partnerships that do not qualify as rate-regulated enterprises as defined in the Canadian Institute of Chartered Accountants' Handbook. Gaz Métro no longer has to account for this future income tax adjustment since September 30, 2010, as a result of the corporate reorganization.

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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** **#2 Fuel Oil**	**Small business: 21% cheaper** **Large business: 39% cheaper** **Small business: 42% cheaper** **Large business: 55% cheaper**
Residential heating (2)	**Electricity** **#2 Fuel Oil**	**7% to 20% cheaper** **32% to 42% cheaper**

(1) As at February 1st, 2011. Current market prices.
(2) Using high efficiency equipment.

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Appendix B
Gaz Métro-QDA - Targeting new customers

	Fiscal 2011 Q1	Fiscal 2010 Q1	Change	Change (%)
Total new contracts signed in residential and commercial markets	1,577 (1)	1,783 (1)	(206)	(11.6%)
Number of customers	185,464	182,781	2,683	1.5%

(1) Including 173 additional sales to existing customers in Q1 of 2011 fiscal year (170 in Q1 of fiscal 2010)

- → New contracts signed in Q1 of 2011 fiscal year contributed to revenues in the quarter or will do so in coming quarters or future fiscal years
- → New contracts include additional sales to existing customers which translate into additional revenues but not into additional customers
- → The decline in newly signed contracts comes from the residential market, which experienced a slowdown in housing starts and lower demand for residential conversions to natural gas

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