

Gaz Métro completes acquisition of Central Vermont Public Service Corporation

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Another step toward prudent and targeted diversification in the electricity sector

Montréal, June 27, 2012 – Gaz Métro inc. (“GMI”), is pleased to announce that Gaz Métro Limited Partnership (“Gaz Métro”), through its wholly owned subsidiary, Northern New England Energy Corporation (“NNEEC”), has today completed the acquisition of Central Vermont Public Service Corporation (“CVPS”), the largest electricity distributor in Vermont.

It is expected that CVPS will consolidate in the coming months its operations with those of Green Mountain Power Corporation (“Green Mountain Power”), the second-largest electricity distributor in the State, acquired by Gaz Métro in 2007.

“The acquisition of CVPS and its consolidation with Green Mountain Power is built around a high quality management team in Vermont. Bringing these two distributors together will release considerable synergies for the benefit of our customers in Vermont and our shareholders,” said Sophie Brochu, President and Chief Executive Officer of Gaz Métro.

“This transaction marks an important milestone in the rigorous execution of our strategy of prudent and targeted diversification in the electricity industry. This same strategy has also led us to invest in the implementation of the 341 MW Seigneurie de Beauré wind power projects, in Québec, and to support Green Mountain Power in the development of a 63 MW wind farm in northern Vermont,” added Ms. Brochu.

CVPS and Green Mountain Power will together serve more than 250,000 customers in Vermont and will enable their customers to benefit from savings totalling US\$144 million over the next ten years. As well as these economic advantages, Vermonters will also benefit from increased reliability and more efficient service.

Gaz Métro has operated in Vermont for 25 years as the owner of Vermont Gas Systems, Inc., the only gas distributor in the State. In its favourable decision, rendered June 15 last, the U.S. regulator emphasized that Gaz Métro's history as a good corporate citizen in Vermont was an important factor in its decision to authorize the acquisition of CVPS.

“Gaz Métro is proud of the confidence placed in it by Vermont, a State known for being proactive in environmental matters, and where Gaz Métro's operating philosophy is reflected in the sustainable development values that are so firmly rooted there,” added Ms. Brochu.

Gaz Métro and GMI in brief

With the acquisition of CVPS, the value of Gaz Métro's assets is now close to \$5 billion. Gaz Métro is a major energy distributor. It owns the only gas distributor in Vermont and is the major natural gas distribution company in Québec, where its more than 10,000-km underground distribution network serves some 300 municipalities. Gaz Métro is also involved in

the electricity distribution market, in the transportation and storage of natural gas, as well as in the development of innovative energy projects such as wind power, natural gas as a fuel for the transportation industry and biomethanation.

Gaz Métro is dedicated to satisfying its 180,000 Quebec and 295,000 Vermont customers it serves, as well as its Partners: Valener Inc., held by the investing public; and GMi, held by Noverco Inc. (“Noverco”). Listed on the stock exchange, Valener Inc. (“Valener”) (TSX: VNR) holds an interest of approximately 29% in Gaz Métro, thus allowing the public to invest and participate significantly in the growth of the latter’s activities. For its part, GMi principally holds an economic interest of about 71% in Gaz Métro, for which it acts as a general partner and as a financing vehicle. Noverco, whose principal shareholder is indirectly the Caisse de dépôt et placement du Québec, is an important contributor to the growth of Gaz Métro.

CVPS in brief

CVPS, the largest electricity distribution company in Vermont, serves some 160,000 customers in 163 towns and municipalities. It has been awarded the national Emergency Recovery Award from the Edison Electric Institute on four occasions, and has been ranked among the most reliable U.S. companies by Forbes magazine for more than five years.

Green Mountain Power in brief

Green Mountain Power produces, transmits, distributes and sells electricity in Vermont and is a leader in the production of wind and solar energy. It serves more than 95,000 customers. www.greenmountainpower.com

Cautionary note regarding forward-looking statements

Certain statements contained in this press release may be forward-looking pursuant to applicable securities laws. Such forward-looking statements reflect the intentions, plans, expectations and opinions of the management (the “Management”) of GMi, and are based on information currently available to the Management and assumptions about future events. Such forward looking statements include statements relating to the merger of CVPS with Green Mountain Power and the expansion and growth of CVPS and Green Mountain Power’s operations and potential synergies resulting from the merger. Forward-looking statements involve known and unknown risks and uncertainties and other factors beyond the control of the Management. A number of factors could cause actual results of GMi and Gaz Métro to differ significantly from the current expectations as expressed in the forward-looking statements, including, but not limited to the terms of the decisions rendered by regulatory agencies, the 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, the exchange rates fluctuations, the evolution of development projects, the capability to materialize attractive acquisitions, as well as obtaining related financing and effecting integration, the capability to obtain future financing and other factors described in the Annual Information Form of GMi for the year ended September 30, 2011 under the item “Risk Factors”.

Although these forward-looking statements are based upon what the Management believes to be reasonable assumptions, the Management cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release, and the Management assumes no obligation to update or revise them to reflect new events or circumstances, except as required pursuant to applicable securities laws. You are cautioned not to place undue reliance on these forward-looking statements. The complete version of the cautionary note regarding forward-looking statements is included in the Management Discussion & Analysis of GMi dated May 11, 2012. This document is available on SEDAR at www.sedar.com.

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