
VALENER AGREES TO BE ACQUIRED BY NOVERCO

Montréal, QC March 27, 2019 - Valener Inc. (“Valener” or the “Company”) (TSX: VNR) (TSX: VNR.PR.A), the public investment vehicle in Énergir, L.P., and Noverco Inc. (“Noverco”), the controlling partner of Énergir, L.P., announced today that they have entered into a definitive arrangement agreement (the “Arrangement Agreement”) pursuant to which Noverco will acquire indirectly all of the issued and outstanding common shares of Valener (the “Common Shares”) for \$26.00 per Common Share in cash and all of the issued and outstanding Cumulative Rate Reset Preferred Shares, Series A of Valener (the “Preferred Shares”) for \$25.00 per Preferred Share in cash plus accrued and unpaid dividends (the “Arrangement”).

Transaction Highlights

- Cash consideration of \$26.00 per Common Share represents a premium of approximately 30% to the closing price per Common Share on December 12, 2018 (the day prior to Noverco’s initial approach to Valener regarding a potential transaction) and approximately 10% to the all-time high closing price per Common Share of \$23.67 observed on March 22, 2019.
- Cash consideration of \$25.00 per Preferred Share represents a premium of approximately 18% to the closing price per Preferred Share on December 12, 2018.
- The acquisition of all of the outstanding Common Shares and Preferred Shares implies a total enterprise value for Valener of approximately \$1.2 billion, including the assumption of existing indebtedness.
- 100% cash consideration provides immediate liquidity and certainty of value for holders of Common Shares and holders of Preferred Shares.
- BMO Capital Markets and TD Securities provided opinions that, subject to the assumptions, limitations and qualifications contained therein, the cash consideration to be received is fair from a financial point of view to the holders of Common Shares and the holders of Preferred Shares; further, cash consideration to be received by holders of Common Shares falls within the fair market value range of \$24.00 to \$28.50 per Common Share established by TD Securities as independent valuator.

Recommendation of the Board of Directors

The board of directors of Valener (the “Board of Directors”), after consultation with financial and legal advisors, has unanimously approved the Arrangement, has unanimously determined that the Arrangement is in the best interest of the Company, and unanimously recommends that the holders of Common Shares and Preferred Shares vote in favour of the Arrangement. The members of the Board of Directors intend to vote all of the Common Shares and Preferred Shares held by them in favour of the Arrangement.

The Board of Directors retained BMO Capital Markets as exclusive financial advisor and TD Securities as independent valuator to prepare a formal valuation of the Common Shares in accordance with Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). BMO Capital Markets and TD Securities have each provided opinions to the Board of Directors that, as at March 27, 2019, and subject to the

assumptions, limitations and qualifications contained therein, the consideration to be received by the holders of Common Shares and the holders of Preferred Shares is fair from a financial point of view to the holders of Common Shares and the holders of Preferred Shares. TD Securities also provided the Board of Directors with a formal valuation of the Common Shares. The formal valuation dated as of March 27, 2019, determined that, as at March 27, 2019, subject to the assumptions, limitations and qualifications contained therein, the fair market value of the Common Shares ranged from \$24.00 to \$28.50 per Common Share. The fairness opinions and formal valuation will be included in the management proxy circular to be mailed to holders of Common Shares and holders of Preferred Shares.

Additional Transaction Details

The Arrangement will be implemented by way of a statutory plan of arrangement under the *Canada Business Corporations Act* and is subject to customary closing conditions including approval of the Arrangement by the Superior Court of Québec; approval of two-thirds of the votes cast by holders of Common Shares in person or by proxy at the special meeting of Valener securityholders (the “Special Meeting”); if required pursuant to MI 61-101, approval of a simple majority of votes cast by disinterested holders of Common Shares at the Special Meeting; and applicable government and regulatory approvals, including, without limitations, approval of the Vermont Public Utility Commission and the Federal Energy Regulatory Commission. The parties expect to close the Arrangement in the next six months. The Arrangement is not subject to any financing condition. Holders of Common Shares will continue to receive dividends declared in the normal course of business prior to the closing of the Arrangement.

The Arrangement Agreement provides for, among other things, a non-solicitation covenant on the part of Valener, subject to customary “fiduciary out” provisions, that entitles Valener to consider and accept a superior proposal prior to the approval of the Arrangement by Valener shareholders and provides a right in favour of Noverco to match any superior proposal. If the Arrangement Agreement is terminated in certain circumstances, including if Valener enters into an agreement with respect to a superior proposal or if the Board of Directors withdraws or modifies its recommendation with respect to the Arrangement, Noverco is entitled to a termination payment of \$30 million.

Under the Arrangement, it is proposed that the Preferred Shares will also be acquired by Noverco. Pursuant to the Arrangement Agreement, holders of Preferred Shares will be asked to vote on the Arrangement as a separate class. However, completion of the Arrangement is not conditional on receipt of such approval. If the requisite approval from holders of Preferred Shares is not obtained, such Preferred Shares will be excluded from the Arrangement and remain outstanding in accordance with their terms. For the Preferred Shares to be included in the Arrangement, the resolution approving the Arrangement must be approved by holders of not less than 66 2/3% of Preferred Shares present in person or by proxy at the Special Meeting.

Further information regarding the Arrangement, the Special Meeting and the Arrangement Agreement will be included in the management proxy circular expected to be mailed to Valener shareholders in late April. Copies of the Arrangement Agreement and management proxy circular will be available on SEDAR at www.sedar.com.

Advisors

Miller Thomson LLP is serving as legal counsel to Valener and McCarthy Tétrault LLP is serving as legal counsel to Noverco. BMO Capital Markets is acting as exclusive financial advisor to Valener in connection with the transaction and TD Securities has been retained as independent

valuator in accordance with MI 61-101. National Bank Financial is acting as financial advisor to Noverco.

About Valener

Valener is a public company which serves as the public investment vehicle in Énergir, L.P. Through its investment in Énergir, L.P., Valener offers its shareholders a solid investment in a diversified and largely regulated energy portfolio in Québec and Vermont. As a strategic partner, Valener, on the one hand, contributes to Énergir, L.P.'s growth, and on the other, invests in wind power production in Québec alongside Énergir, L.P. Valener favours energy sources and uses that are innovative, clean, competitive and profitable. Valener's common shares and preferred shares are listed on the Toronto Stock Exchange under the "VNR" symbol for common shares and under the "VNR.PR.A" symbol for Series A preferred shares. www.valener.com

About Noverco

Noverco is a holding company that indirectly owns approximately 71% of Énergir L.P., a natural gas distribution company operating in the province of Quebec with interests in subsidiary companies operating gas transmission, gas distribution and power distribution businesses in the Province of Quebec and the State of Vermont. Caisse de dépôt et placement du Québec, Fonds de solidarité FTQ, British Columbia Investment Management Corporation and Université du Québec Pension Plan, through TRENCAP L.P. own 61.1% of Noverco while Enbridge Inc. owns the remaining 38.9%.

Forward-Looking Statements

The information in this press release includes certain forward-looking statements. These forward-looking statements are subject to risks and uncertainties. More particularly and without limitation, this press release contains forward-looking statements and information concerning: the anticipated benefits of the Arrangement to Valener's shareholders; the anticipated receipt of required regulatory, court and shareholder approvals for the transaction; the ability of the parties to satisfy the other conditions to, and to complete, the Arrangement; the mailing of the management information circular; and the anticipated timing of the closing of the Arrangement. Forward-looking statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, ongoing objectives, strategies and outlook for Valener. Forwardlooking statements may in some cases be identified by words such as "will," "plans," "believes," "expects," "anticipates," "estimates," "projects," "intends," "should" or the negative of these terms, or similar expressions. Except as required by applicable securities laws, forward looking statements speak only as of the date on which they are made and Valener undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Risks and uncertainties inherent in the nature of the Arrangement include the failure of Valener and Noverco to obtain necessary shareholder, regulatory and court approvals, including those noted above, or to otherwise satisfy the conditions to the completion of the Arrangement, in a timely manner, or at all. Failure to so obtain such approvals, or the failure of the parties to otherwise satisfy the conditions to or complete the Arrangement, may result in the Arrangement not being completed on the proposed terms, or at all.

For additional information:

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