



## **Extension of natural gas distribution network to Thetford Mines: Gaz Métro announces the signing of an important agreement with Sables Olimag**

MONTREAL, April 18 /CNW Telbec/ - Gaz Métro today announces the signing of an important agreement with Les Sables Olimag inc. (Sables Olimag), a producer of non-toxic abrasives for *sandblasting* in Eastern Canada, thus marking a step forward toward extending the natural gas distribution network to Thetford Mines. The contract with Sables Olimag represents a major portion of the volume of natural gas needed for Gaz Métro to obtain authorization from the Régie de l'énergie for the extension of its distribution network by 72 km at an estimated cost of \$24.7 million. The Thetford Mines community's long hoped-for project will become a reality in fall 2012, with the help of a financial contribution of more than \$18 million from the Federal Government, and the leadership of the Comité de réalisation du gazoduc Vallée-Jonction/Thetford.

"The Comité de réalisation du gazoduc Vallée-Jonction/Thetford has been working for more than 15 years to attract natural gas to our region. Its arrival will be a significant stimulus for economic development," said Luc Berthold, Mayor of Thetford Mines.

"As well as resolving our waste oil supply problem, natural gas will help us save 10%-15% of our energy costs and reduce our greenhouse gas (GHG) emissions by 19%," confirmed Claude Gosselin, President of Sables Olimag.

Sables Olimag has signed a five-year contract with Gaz Métro for five million cubic metres of natural gas per year.

"The arrival of natural gas is an asset for preserving and improving the competitiveness of companies in the region and also for maintaining hundreds of jobs," added Luc Rémillard, Director General of the Société de développement économique de la région de Thetford.

### **Procedure for obtaining approval from the Régie de l'énergie**

In order for the Régie de l'énergie to authorize the expenses related to the cost of extending its distribution network, Gaz Métro has to obtain commitments from customers for a specific volume. The contract with Sables Olimag is a first step toward reaching that regulatory obligation.

"Our teams began discussions with several companies in the region some weeks ago. The collaboration of all the players in the region is essential to realize the project for which the community has worked so hard," said Jean Cartier, Senior Director, Sales, at Gaz Métro.



## Next steps

Following approval of the investment by the Régie de l'énergie, Gaz Métro will move onto the planning and construction stages. Commissioning is expected at the end of 2012. As it does for all its projects, Gaz Métro will ensure that permits and authorizations are obtained in order to meet environmental, legal and regulatory requirements. The preliminary route proposed will minimize environmental and agricultural impacts, while respecting project economics.

## About Sables Olimag

Sables Olimag is the most important producer of non-toxic abrasives in Eastern Canada. It also produces refractory sand and supplies steel mills in eight countries. It has just perfected a non-toxic, pro-environmental grout mix for geothermal use.

## Gaz Metro in brief

With over \$3.6 billion in assets, Gaz Métro is the major natural gas distributor in Québec. Operating in this regulated sector for more than 50 years, Gaz Métro has become the trusted energy supplier for some 182,000 customers in Québec and 136,000 customers in Vermont, and has acquired the know-how and skills needed to diversify its activities beyond natural gas. In line with its prudent growth strategy, Gaz Métro has made a successful entry into the electricity distribution market in Vermont and into the development of wind energy projects in Québec. Gaz Métro is dedicated to satisfying its customers, partners, employees, and the communities where it operates. [www.gazmetro.com](http://www.gazmetro.com)