



## **Innergex Renewable Energy 2008 Third Quarter Results**

- **Umbata Falls (23 MW) and Carleton (109.5 MW) are on schedule and on budget and both presently under commissioning**
- **Acquisition of 66⅔ % interest in Creek Power completed on August 29, 2008**
- **Fitzsimmons Creek (7.5 MW) is under construction**
- **Production at Glen Miller 108 % above the long-term average in 3Q2008**

**LONGUEUIL, QC, November 12, 2008 – Innergex Renewable Energy Inc. (TSX: INE)** (the “Corporation”), a leading Canadian developer, owner and operator of renewable power generating facilities, releases today its operating and financial results for the third quarter of 2008.

### **Project Update**

During the third quarter of 2008, the Corporation continued the construction of its 23.0 MW Umbata Falls hydroelectric project in Northern Ontario and its 109.5 MW Carleton wind farm in Eastern Quebec. These projects, presently under commissioning, already produced their first kilowatts of electricity and are expected to be fully operational by the end of November 2008. The Corporation’s 52.9 MW net interest in these two projects is expected to generate approximately \$14 million in additional operating revenues annually.

In addition, during the quarter, the Corporation completed the acquisition of a 66⅔ % interest in Creek Power Inc. (“Creek Power”). Creek Power holds certain water rights and land tenure applications to develop 18 run-of-river hydroelectric power projects located in the Lower Mainland of British Columbia. These projects, once developed, would represent a potential installed capacity of 200 MW and produce over 1,000 GW-hr of clean energy for the Province, meeting the needs of approximately 98,000 BC homes.

The 7.5 MW Fitzsimmons Creek hydroelectric project, located in B.C., is the first project under construction in the Creek Power group of projects. During the third quarter of 2008, the Fitzsimmons Creek project also reached a significant milestone when BC Hydro determined that the project was eligible under the Standing Offer Program (“SOP”). Therefore, based on a typical SOP timetable provided by BC Hydro, the Corporation expects to execute a power purchase agreement (“PPA”) with BC Hydro before the end of the second quarter of 2009.

As planned, the Corporation also moved forward with the other projects under development for which PPAs have been secured. The BAPE hearings (environmental public hearing office) for the Montagne-Sèche and Gros Morne I and II wind projects were held in September 2008. According to the prescribed timetable, the Corporation expects the BAPE report to be completed in January 2009. This critical step for the development of wind projects is well ahead of schedule. More importantly, the projects were favourably received by all the different stakeholders.

“The recent market turmoil has brought uncertainty for all corporations. We are fortunate to have financings in place for the Ashlu and Umbata Falls projects, as well as a financing commitment for the Carleton project, three projects which are either under construction or being commissioned. Moreover, strong interest from a group of lenders has been shown to date for the financing of the 7.5 MW Fitzsimmons project located in BC. Closing of this financing is expected in 2009. As always, but more specifically for the coming months, we will manage our balance sheet very carefully and devote our energy to the development of projects with the highest returns and best probabilities of positive outcome.” said Michel Letellier, President and Chief Executive Officer of Innergex Renewable Energy Inc.

### **Financial Results**

During the quarter and nine-month period ended September 30, 2008, the Corporation generated operating revenues from the Glen Miller hydroelectric facility, management fees from the Innergex Power Income Fund (the “Fund”) and its 16.1 % share of the Fund’s net results. For the corresponding periods in 2007, the Corporation owned no power generating facility, projects under development or units in the Fund. Revenues during the corresponding periods in 2007 were mainly comprised of management fees from the Fund and Innergex II Income Fund.

The Fund is an open-ended income trust listed on the Toronto Stock Exchange to which the Corporation provides management services, and in which it holds a 16.1 % interest. The Corporation includes its share of the Fund’s earnings and monthly cash distributions in its financial statements. More information regarding the Fund may be found at: [www.sedar.com](http://www.sedar.com).

Third quarter revenues totalled \$1.7 million, as compared to \$1.5 million for the same period in 2007, and included \$0.6 million from the Glen Miller hydroelectric facility, \$0.6 million in management fees from the Fund, and \$0.4 million as the Corporation’s share of net earnings in the Fund. The 9,369 MW-hr generated by the Glen Miller facility is 108 % above the long-term average of 4,513 MW-hr.

For the nine-month period ended September 30, 2008, revenues totalled \$5.1 million, as compared to \$5.0 million for the same period in 2007, and included \$2.2 million from the Glen Miller hydroelectric facility, \$1.8 million in management fees from the Fund, and \$1.1 million from the Corporation’s share of net earnings in the Fund. During this period, the Glen Miller facility generated 32,806 MW-hr, which is 10 % above the long-term average of 29,864 MW-hr.

The Corporation was also entitled to receive its share of the Fund’s monthly cash distributions, which totalled \$1.2 million and \$3.5 million for the respective three-month and nine-month periods ended September 30, 2008, as compared to nil in 2007.

For the quarter ended September 30, 2008, the Corporation posted a net loss of \$0.6 million or a net loss of \$0.03 per share, as compared to net earnings of \$0.06 million, or net earnings of \$0.03 per share for the third quarter of 2007.

For the nine-month period ended September 30, 2008, the Corporation posted a net loss of \$4.5 million or a net loss of \$0.19 per share, as compared to net earnings of \$0.15 million or net earnings of \$0.08 per share in the same period of 2007. These losses for the third quarter and nine-month periods of 2008 are due to expenses incurred by the Corporation for the development of its facilities, before projects may become operational and generate revenues. The upcoming commissioning of the Umbata Falls hydroelectric project and of the Carleton wind farm will allow the Corporation to increase its net production base from 8.0 MW to 60.9 MW and as such, should contribute to earnings.

## **Fund's results**

The Funds' facilities generated 236,778 MW-hr during the third quarter of 2008, while power generation during the corresponding period of 2007 totalled 167,988 MW-hr. This represents a 41 % increase in power generation, which was 12 % above the long-term average. This growth is mainly attributable to the acquisition of the two wind farms, completed in December 2007 and to favourable hydrology conditions. Power generation by the Fund's hydroelectric facilities was 12 % above the long-term average and 17 % greater than the corresponding period of 2007, while power generation at the wind farms exceeded the long-term average by 8 %. During the third quarter of 2008, this level of power generation resulted in gross operating revenues of \$15.4 million, as compared to \$10.4 million posted for the same period of 2007. Earnings before interest, provision for income taxes, depreciation and amortization, other revenues and expenses and minority interest ("EBITDA") totalled \$12.5 million during the third quarter of 2008, as compared to \$8.3 million for the corresponding period of 2007.

For the nine-month period ended September 30, 2008, power generation totalled 642,095 MW-hr. This represents a 41 % increase over the 454,907 MW-hr generated in the corresponding period of 2007. Power generated at the two wind farms acquired in December 2007 accounted for 31 % of this growth, while the excellent performance at the Fund's hydroelectric facilities contributed another 10 % due to favourable hydrology conditions. For the nine-month period, power generation was 1 % above the long-term average. EBITDA for the nine-month period ended September 30, 2008 totalled \$36.1 million, as compared to \$23.2 million posted for the same period of 2007.

The quarterly report, which includes the unaudited consolidated financial statements and the management's discussion and analysis, can be downloaded from the Innergex Web site at: [www.innergex.com](http://www.innergex.com) and from the SEDAR Web site at: [www.sedar.com](http://www.sedar.com).

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**Innergex Renewable Energy Inc.** is a developer, owner and operator of run-of-river hydroelectric facilities and wind energy projects in North America. The Corporation's management team has been involved in the renewable power industry since 1990. The Corporation owns a portfolio of projects which consists of one operating facility (8 MW), interests in nine development projects with power purchase agreements under construction or to be constructed between 2008 and 2012 (gross expected capacity of 565 MW), and prospective projects (gross expected capacity of more than 1,700 MW). Innergex Renewable Energy Inc. also owns 16.1% of the Innergex Power Income Fund, a publicly-traded income fund listed on the Toronto Stock Exchange (IEF.UN), and acts as its manager under long-term management agreements. Innergex Power Income Fund owns 12 projects in operation, with a total installed capacity of 340 MW.

## ***Forward-looking statements***

*Investors should note that some statements in this press release are forward-looking and may not give full weight to all potential risks and uncertainties. Forward-looking statements are, by their nature, subject to risks and uncertainties, and actual results, actions or events could materially differ from those set forth in the forward-looking statements. All forward-looking statements are only valid as of the date they were made. The Corporation does not undertake to update forward-looking statements except in accordance with applicable laws.*

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## **For more information, please contact**

Mr. Jean Trudel, MBA  
Vice President – Finance and Investor Relations  
Innergex Renewable Energy Inc.  
Tel: 450-928-2550  
[jtrudel@innergex.com](mailto:jtrudel@innergex.com)