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**Press release  
For immediate distribution**

## **INNERGEX RENEWABLE ENERGY ANNOUNCES \$85 MILLION OFFERING OF CUMULATIVE RATE RESET PREFERRED SHARES**

**Montréal (Québec)**, August 23, 2010 – Innergex Renewable Energy Inc. (“Innergex” or the “Corporation”) announces today that it will be issuing 3,400,000 Cumulative Rate Reset Preferred Shares, Series A (the “Series A Preferred Shares”) for aggregate gross proceeds of \$85 million on a bought deal basis to a syndicate of underwriters led by BMO Capital Markets and TD Securities Inc.

The Series A Preferred Shares will pay cumulative dividends of \$1.25 per share per annum, yielding 5.00% per annum, payable quarterly, for the initial five year period ending January 15, 2016. The dividend rate will be reset on January 15, 2016 and every five years thereafter at a rate equal to the 5-year Government of Canada bond yield plus 2.79%. The Series A Preferred Shares will be redeemable by Innergex on or after January 15, 2016, in accordance with their terms.

Holders of the Series A Preferred Shares will have the right, at their option, to convert their shares into Cumulative Floating Rate Preferred Shares, Series B, (the “Series B Preferred Shares”) subject to certain conditions, on January 15, 2016 and on January 15 every five years thereafter. Holders of the Series B Preferred Shares will be entitled to receive cumulative quarterly floating dividends at a rate equal to the three-month Government of Canada Treasury Bill yield plus 2.79%.

As stated by Michel Letellier, President and Chief Executive Officer of Innergex: “With this transaction, Innergex’s capital structure is more diversified and will appeal to a broader investor base”. Net proceeds resulting from the sale of the Series A Preferred Shares will be used by Innergex to enhance its financial flexibility, to reduce indebtedness and for general corporate purposes.

The Series A Preferred Shares will be offered for sale to the public in each of the provinces of Canada pursuant to a short form prospectus of Innergex to be filed with Canadian securities regulatory authorities in all Canadian provinces. The offering is scheduled to close on or about September 14, 2010, subject to certain conditions, including obtaining all necessary regulatory approvals.

Furthermore, Innergex will be filing a revised Annual Information Form which takes into account the previously completed combination of the Corporation with Innergex Power Income Fund.

**Innergex Renewable Energy Inc.** is a leading developer, owner and operator of run-of-river hydroelectric facilities and wind energy projects in North America. Innergex’s management team has been involved in the renewable power industry since 1990. Innergex owns a portfolio of projects which consists of: i) interests in 17 operating facilities with an aggregate net installed capacity of 326 MW; ii) interests in 7 projects under development with an aggregate net installed capacity of 203 MW for which power purchase agreements have been secured; and iii) prospective projects of more than 2,000 MW (net).

### **Forward-looking information**

In order to inform shareholders of Innergex as well as potential investors on future prospects of the Corporation, sections of this news release may contain forward-looking statements within the meaning of securities legislation (“Forward-looking Statements”). Forward-looking Statements can generally be identified by the use of words and phrases, such as “may”, “will”, “estimate”, “anticipate”, “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “forecasts”, “intends” or

"believes", or variations of such words and phrases that state that certain events will occur. Forward-looking Statements represent, as of the date of this news release, the estimates, forecasts, projections, expectations or opinions of the Corporation relating to future events or results. Forward-looking Statements involve known and unknown risks, uncertainties and other important factors which may cause the actual results or performance to be materially different from any future results or performance expressed or implied by the Forward-looking Statements. The material risks and uncertainties which may cause the actual results and developments to be materially different from the current expressed expectations in this news release include: (i) execution of strategy, (ii) capital resources, (iii) derivative financial instruments, (iv) current economic and financial crisis, (v) hydrology and wind regime, (vi) construction and design, (vii) development of new facilities, (viii) project performance, (ix) equipment failure, (x) interest rate and refinancing risk, (xi) financial leverage and restrictive covenants, (xii) separation agreement and (xiii) relationship with public utilities. Although the Corporation believes that the expectations instigated by the Forward-looking Statements are based on reasonable and valid hypotheses, there is a risk that the Forward-looking Statements may be incorrect. The reader is cautioned not to rely unduly on these Forward-looking Statements. The Forward-looking Statements expressed verbally or in writing, by the Corporation or by a person acting on its behalf, are expressly qualified by this cautionary statement. The Corporation does not undertake any obligation to update or revise any Forward-looking Statements, whether as a result of events or circumstances occurring after the date hereof, unless required by legislation.

*The Series A Preferred Shares have not been, nor will be, registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States or to U.S. persons absent registration or applicable exemption from the registration requirement of such Act and applicable state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to qualification under the securities laws of any such jurisdiction.*

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