



Renewable Energy.
Sustainable Development.

News Release
For Immediate Distribution

INNERGEX ENTERS THE SOUTH AMERICAN RENEWABLE ENERGY MARKET BY ACQUIRING TWO HYDRO FACILITIES

- Acquisition in partnership of two hydro facilities with an aggregate installed capacity of 140 MW
- Projected Adjusted EBITDA of approximately US\$21 million (C\$26.8 million) for twelve months of operations
- Total enterprise value acquired, net of cash, of US\$210 million (C\$268 million)
- Transaction to be partly financed by Itaú, a leading South American bank
- Exclusivity agreement for a joint venture partnership with an energy company in Chile

LONGUEUIL, Quebec, May 15, 2018 – Innergex Renewable Energy Inc. (TSX: INE) (“Innergex” or the “Corporation”) and Energía Llama, an innovative and growing renewable energy company located in Chile, are pleased to announce that they have been selected in a bid process to acquire in partnership the Duquenco hydro project (140 MW) which includes two hydro facilities in Chile. The acquisition is subject to certain regulatory approvals in Chile and to reaching a final partnership agreement between the parties. In addition, Innergex has signed an exclusivity agreement with Energía Llama for a joint venture partnership to acquire a 50% stake in the company. Final agreements should be reached in the coming weeks in respect to this venture.

“We are very pleased to finally enter the Chilean market through the acquisition of hydro assets where we can leverage our substantial experience and expertise. With this partnership, we intend to pursue a growth trajectory in this market and to expand our development platform throughout South America with a focus on high quality renewable energy projects,” said Michel Letellier, President and Chief Executive Officer of Innergex. “These transactions mark Innergex’s entry into South America through the building of a strong partnership with a solid company with expansion plans. Energía Llama is a perfect fit for us as they share a similar approach to sustainable development, working with local communities and indigenous groups to ensure projects are socially acceptable and are deeply integrated in Chile’s business sector.”

“We are very pleased to welcome Innergex as a partner in Energía Llama and in acquiring two strong hydro assets,” said Ian Nelson, Chief Executive Officer of Energía Llama. “We are a growing company with high quality projects in operation as well as in development and we intend to become a larger player in the Chilean industry and throughout South America. We look forward to having Innergex’s vast experience and diversified expertise to help bring many of our exciting development opportunities online.”

Upon signing a final partnership agreement, Innergex would own 50% of Energía Llama for a total commitment of US\$110 million (C\$140.5 million) to be invested in the next three years. In addition to the investment in the Duquenco project, Innergex will invest an additional US\$10 million (C\$12.8 million) in Energía Llama to contribute to its working capital. With these investments, Innergex’s commitment would almost be reached.

Acquisition of the Duqueco hydro project

The expected acquisition of the Duqueco hydro project includes two hydro facilities commissioned in 2001, Peuchen (85 MW) and Mampil (55 MW), located on the Duqueco river, 60 km east of Los Angeles city, Chile. The Peuchen plant has a reservoir upstream with a 4-hour regulation at full capacity and up to 12-hour regulation at partial capacity, which also benefits Mampil. The aggregated average annual power generation is expected to reach over 350,000 MWh. Electricity produced by these hydro facilities is sold under power purchase agreements (PPAs) at fixed prices until 2020 and on the spot market. Innergex is expecting an Adjusted EBITDA of approximately US\$21 million (C\$26.8 million) annually for the Duqueco project.

The purchase price, net of an estimated US\$10 million (C\$12.8 million) of cash, is approximately US\$210 million (C\$268 million), subject to certain adjustments and a financing of US\$140 million (C\$178.8 million) is to be granted by a leading South America bank, Itaú, to cover a portion of the purchase price. Innergex's net share of the remaining purchase price will amount to about US\$80 million (C\$102.2 million). In addition, the Corporation made a deposit to secure financing of US\$10 million (C\$12.8 million). Both amounts will be paid through available funds under its corporate revolving credit facility.

About Innergex Renewable Energy Inc.

The Corporation develops, acquires, owns and operates run-of-river hydroelectric facilities, wind farms, solar photovoltaic farms and geothermal power generation plants. As a global player in the renewable energy sector, Innergex conducts operations in Canada, the United States, France and Iceland. Innergex manages a large portfolio of assets currently consisting of interests in 64 operating facilities with an aggregate net installed capacity of 1,642 MW (gross 2,886 MW), including 34 hydroelectric facilities, 25 wind farms, three solar farms and two geothermal facilities. Innergex also holds interests in two projects under development with a net installed capacity of 355 MW (gross 360 MW) one of which is currently under construction and prospective projects at different stages of development with an aggregate net capacity totalling 8,180 MW (gross 8,850 MW). Innergex Renewable Energy Inc. is rated BBB- by S&P. The Corporation's strategy for building shareholder value is to develop or acquire high-quality facilities that generate sustainable cash flows and provide an attractive risk-adjusted return on invested capital and to distribute a stable dividend.

About Energía Llaima

Energía Llaima's operational facilities include a 12 MW run-of-river hydro facility located in the San José de Maipo district in the Metropolitan Region. This facility produces an average of 75,000 MWh sold through various PPA's and on the spot market. Energía Llaima has a majority interest in a 34 MW solar thermal facility in the Sierra Gorda district in the Atacama Region. This innovative facility, the second largest in the world, supplies approximately 54,000 MWh of heat energy to a large mining company which uses the energy in their electro-winning process. Energía Llaima's development portfolio includes two run-of-river hydro projects in advanced stage of development, the 109 MW Central Frontera and the 16 MW Central El Canelo, as well as other early development stage projects.

Non-IFRS measures disclaimer.

Readers are cautioned that Adjusted EBITDA is not a measure recognized by IFRS and have no standardized meaning prescribed by it, and therefore may not be comparable to those presented by other issuers. Innergex believes that this indicator is important, as it provides management and the reader with additional information about its cash generation capabilities and facilitates the comparison of results over different periods. References in this press release to "Adjusted EBITDA" are to revenues less operating expenses, general and administrative expenses and prospective project expenses. Readers are cautioned that Adjusted EBITDA should not be construed as an alternative to net earnings as determined in accordance with IFRS.

Forward-Looking Information Disclaimer

In order to inform readers of the Corporation's future prospects, this press release contains forward-looking information within the meaning of applicable securities laws ("Forward-Looking Information"). Forward-Looking Information can generally be identified by the use of words such as "projected", "potential", "expect", "will", "should", "estimate", "forecasts", "intends", or other comparable terminology that states

that certain events will or will not occur. It represents the estimates and expectations of the Corporation relating to future results and developments as of the date of this press release.

Forward-Looking Information includes future-oriented financial information or financial outlook within the meaning of securities laws, such as expected production and projected Adjusted EBITDA to inform readers of the potential financial impact of expected results, of the expected commissioning of Development Projects, of the potential financial impact of the acquisitions, of the Corporation's ability to sustain current dividends and of its ability to fund its growth. Such information may not be appropriate for other purposes.

Forward-Looking Information in this press release is based on certain key expectations and assumptions made by the Corporation. The following table outlines Forward-Looking Information contained in this press release, the principal assumptions used to derive this information and the principal risks and uncertainties that could cause actual results to differ materially from this information.

Principal Assumptions	Principal Risks and Uncertainties
<p>Project Adjusted EBITDA For each facility, the Corporation estimates annual operating earnings by subtracting from the estimated revenues the budgeted annual operating costs, which consist primarily of operators' salaries, insurance premiums, operations and maintenance expenditures, property taxes and royalties; these are predictable and relatively fixed, varying mainly with inflation (except for maintenance expenditures).</p>	<p>Production levels below the LTA caused mainly by the risks and uncertainties mentioned above</p> <p>Unexpected seasonal variability in the production and delivery of electricity</p> <p>Lower-than-expected inflation rate</p> <p>Changes in the purchase price of electricity upon renewal of a PPA</p> <p>Lower revenues caused mainly by the risks and uncertainties mentioned above</p> <p>Variability of facility performance and related penalties</p> <p>Unexpected maintenance expenditures</p>
<p>Expected Production For each facility, the Corporation determines a long-term average annual level of electricity production ("LTA") over the expected life of the facility, based on engineers' studies that take into consideration a number of important factors: for hydroelectricity, the historically observed flows of the river, the operating head, the technology employed and the reserved aesthetic and ecological flows; for solar energy, the historical solar irradiation conditions, panel technology and expected solar panel degradation. Other factors taken into account include, without limitation, site topography, installed capacity, energy losses, operational features and maintenance. Although production will fluctuate from year to year, over an extended period it should approach the estimated long-term average.</p>	<p>Improper assessment of water and sun resources and associated electricity production</p> <p>Variability in hydrology and solar irradiation</p> <p>Equipment failure or unexpected operations & maintenance activity</p> <p>Natural Disaster</p>
<p>Expected completion and closing of the Joint Venture Partnership with Energía Llaima and of the Acquisition of the Duqueco project The Corporation reasonably expects to complete the joint venture partnership and the acquisition of the Duqueco project in Chile.</p>	<p>Regulatory and political risks</p> <p>Availability of capital</p> <p>Performance of the counterparties</p> <p>Ability of the Corporation to execute its strategy for building shareholder value</p> <p>Foreign market growth and development risks</p>

The material risks and uncertainties that may cause actual results and developments to be materially different from current expressed Forward-Looking Information are referred to in the Corporation's Annual Information Form in the "Risk Factors" section and include, without limitation: the ability of the Corporation to execute its strategy for building shareholder value; its ability to raise additional capital and the state of capital markets; liquidity risks related to derivative financial instruments; variability in hydrology, wind regimes and solar irradiation; delays and cost overruns in the design and construction of projects; uncertainty surrounding the development of new facilities; variability of installation performance and related penalties; and the ability to secure new power purchase agreements or to renew existing ones.

Although the Corporation believes that the expectations and assumptions on which Forward-Looking Information is based are reasonable, readers of this press release are cautioned not to rely unduly on this Forward-Looking Information since no assurance can be given that they will prove to be correct. The Corporation does not undertake any obligation to update or revise any Forward-Looking Information, whether as a result of events or circumstances occurring after the date of this press release, unless so required by legislation.

For information

Karine Vachon
Director – Communications
450 928-2550, ext. 1222
kvachon@innnergex.com
innnergex.com