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**News Release**  
**For immediate distribution**

**INNERGEX REPORTS FIRST QUARTER 2012 RESULTS**  
**PRODUCTION CAPACITY ADDITIONS INCREASE REVENUES 38%**

- Power generated increases 36% to 327,508 MWh, or 81% of long-term average;
- Operating revenues increase to \$28.8 million;
- EBITDA increases 28% to \$18.9 million.

**LONGUEUIL, Quebec, May 14, 2012** – Innergex Renewable Energy Inc. (TSX: INE) (“Innergex” or the “Corporation”) today released its operating and financial results for the first quarter ended March 31, 2012.

“Production conditions tied to water flows and wind regimes are among the few parameters we cannot control. However, we remain confident that production levels will revert to the long-term average over time. We continue to focus our efforts on optimizing our operating facilities and on moving forward with our many projects under construction and under development,” stated Michel Letellier, President and Chief Executive Officer of the Corporation.

**OPERATING RESULTS**

*Amounts shown are in thousands of Canadian dollars except as noted otherwise.*

<b>Highlights</b> <b>For the period ended March 31</b>	<b>Three-month period</b>	
	<b>2012</b>	<b>2011</b>
Power generated (MWh)	327,508	240,180
Long-term average (MWh)	403,446	257,656
Operating revenues	28,757	20,816
EBITDA	18,883	14,724
Net earnings	7,805	5,730
Net earnings, \$ per share	0.10	0.08

The increases in power generated, operating revenues, and EBITDA recorded for the first quarter ended March 31, 2012 result mainly from the addition of the Harrison operating facilities acquired in April 2011 and of the Montagne Sèche and Gros-Morne I wind farms commissioned last November. Power generated increased 36% in the first quarter compared to the same period last year. However, it reached 81% of long-term average, mainly due to low water flows at all BC facilities resulting from a cold and long winter. As the snow pack begins to melt, Innergex expects higher power generation to occur in subsequent quarters.

Power generation of the Corporation’s wind farms was slightly below long-term average as a result of lower wind conditions; in addition, production of the Gros-Morne I wind farm was interrupted by damage following a load rejection event that occurred last December. Replacement of the damaged components was completed in January and the wind farm was back in service in February. Innergex intends to mitigate the loss of revenue partly through its business interruption insurance coverage, and it continues to work with the turbine manufacturer to ensure the implementation of a permanent solution to meet all the requirements of the turbine supply agreement.

The net earnings of \$7.8 million reported for the quarter reflect significant unrealized net gains on derivative financial instruments of \$21 million, as well as an associated deferred income tax expense of \$5.5 million. These unrealized net gains on derivative financial instruments are due mainly to the increase in benchmark interest rates since the end of 2011. The Corporation uses derivative instruments to hedge its debt against interest rate fluctuations; since it does not use hedge accounting, changes in the fair market value of derivative financial instruments have a direct effect on net earnings. When excluding these unrealized net gains on derivative financial instruments, the Corporation would have recorded a net loss for the quarter of \$7.7 million (compared to a net loss of \$1.3 million for the same period last year). This net loss is due partly to the shortfall caused by weak hydrology and wind conditions during the quarter, and partly to higher finance costs and depreciation and amortization expenses resulting from the greater number of operating facilities.

Cash flows from operating activities for the quarter reached \$9.6 million (compared to \$12.6 million for the same period last year). The decline results mainly from an increase in interest paid of \$8.3 million, which was partly offset by the higher EBITDA and the absence of transaction costs.

## **DEVELOPMENT PROJECTS**

### *Stardale solar farm*

The construction of this solar farm began in November 2010. As at the date of this press release, the photovoltaic modules had all been installed and preparation for commissioning activities was under way. The Corporation expects this site to be in operation by the end of May 2012.

### *Gros-Morne II wind farm*

The construction of this wind farm began in the second quarter of 2010. At the end of 2011, all the foundations had been completed, all the roads had been built, and the substation had been energized. As planned, construction activities were halted for the winter period and resumed during the first week of May 2012. Innergex expects Gros-Morne II to be completed by December 1, 2012.

### *Kwoiek Creek hydroelectric facility*

The construction of this hydroelectric facility began in the last quarter of 2011. During the first quarter of 2012, powerhouse bulk excavation was completed and transmission line construction and penstock bulk excavation were ongoing. Current activities also include designing the intake and building the powerhouse foundation. Construction of this facility is expected to be completed in the last quarter of 2013.

### *Northwest Stave River hydroelectric facility*

The construction of this hydroelectric facility began in the last quarter of 2011. As planned, construction activities were halted for the winter period and resumed in mid-April 2012. Current activities include powerhouse and penstock excavation. Construction of this facility is expected to be completed in the last quarter of 2013.

### *Viger-Denonville wind farm*

Current activities include environmental studies, consultation with the various stakeholders, and applications for obtaining the relevant permits. As at the date of this press release, the project had received a favourable final decision from the *Commission de protection du territoire agricole*. Construction of this project is expected to start in the spring of 2013.

### *Boulder Creek, North Creek, and Upper Lillooet*

Current activities include hydrometric monitoring, environmental studies, consultation with the various stakeholders, applications for obtaining the relevant permits and preliminary engineering. The Corporation expects to start construction of the Boulder Creek and Upper Lillooet projects in 2013 and construction of the North Creek project in 2014.

### *Tretheway Creek and Big Silver-Shovel Creek*

Current activities include hydrometric monitoring, environmental studies, consultation with the various stakeholders, applications for obtaining the relevant permits and preliminary engineering. The Corporation expects to start construction of these two projects in 2013.

## PROSPECTIVE PROJECTS

All the prospective projects, with a combined potential net installed capacity of 2,844 MW (gross 2,977 MW), are in the preliminary development stage. Some prospective projects are targeted towards specific future requests for proposals, standard offer programs, or feed-in tariff programs, while others will be available for future requests for proposals yet to be announced. There is no certainty that any prospective project will be realized.

## DIVIDEND DECLARATION

### Dividends to Preferred Shareholders

On May 14, 2012, the Corporation declared a dividend of \$0.3125 per Series A Preferred Share payable on July 16, 2012, to Series A preferred shareholders of record at the close of business on June 29, 2012.

### Dividends to Common Shareholders

On May 14, 2012, the Corporation declared a dividend of \$0.1450 per common share payable on July 16, 2012, to common shareholders of record at the close of business on June 29, 2012.

## CONFERENCE CALL REMINDER

The Corporation will hold a conference call tomorrow, Tuesday, May 15, 2012 at 10:00 a.m. EDT. The first quarter results will be presented by Mr. Michel Letellier, President and Chief Executive Officer of Innergex and by Mr. Jean Trudel, Chief Investment Officer and Senior Vice President – Communications. Investors and financial analysts are invited to access the conference call by dialing **647 427-7450** or **1 888 231-8191**. Media and the public may also access this conference call, on a listen-only mode. A replay of the conference call will be available at 1 855 859-2056 (access code: 70015572#) until May 22, 2012, at 11:59 p.m. EDT.

## NON-IFRS MEASURES

The consolidated financial statements for the three-month period ended March 31, 2012 have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

However, some measures referred to in this news release are not recognized measures under IFRS, and therefore may not be comparable to those presented by other issuers. Innergex believes that these indicators are important, as they provide management and the reader with additional information about its production and cash generation capabilities, and facilitate the comparison of results over different periods. EBITDA is not a measure recognized by IFRS and has no standardized meaning prescribed by IFRS. References in this news release to “EBITDA” are to earnings before interest, provision for income taxes, depreciation and amortization, and other items. Investors are cautioned that these non-IFRS measures should not be construed as an alternative to net income as determined in accordance with IFRS.

## FORWARD-LOOKING INFORMATION

In order to inform shareholders and potential investors about the Corporation's future prospects, this news release may contain forward-looking information within the meaning of securities legislation (“Forward-Looking Information”). Forward-Looking Information 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 Information represents, 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 Information involves 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 Information. 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, without limitation: (i) execution of strategy; (ii) capital resources; (iii) derivative financial instruments; (iv) availability of water flows, wind and sun light; (v) construction and design; (vi) development of new facilities; (vii) project performance; (viii) permits; (ix) equipment failure; (x) health, safety and environmental risks; (xi) interest rate and refinancing risk; (xii) financial leverage and restrictive covenants; and (xiii) relationship with public utilities. Although the Corporation believes that the expectations instigated by the Forward-Looking Information are based on reasonable and valid hypotheses, there is a risk that the Forward-looking Information

may be incorrect. The reader is cautioned not to rely unduly on this Forward-Looking Information. The Forward-Looking Information 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 Information, whether as a result of events or circumstances occurring after the date hereof, unless required by legislation.

**Innergex Renewable Energy Inc.** (TSX: INE) is a leading Canadian independent renewable power producer. The Company develops, owns, and operates run-of-river hydroelectric facilities, wind farms, and solar photovoltaic farms and carries out its operations in Quebec, Ontario, British Columbia, and Idaho, USA. Its portfolio of assets consists of: (i) interests in 25 operating facilities with an aggregate net installed capacity of 461 MW (gross 847 MW), including 20 hydroelectric operating facilities and five wind farms; (ii) interests in 10 projects under development or under construction with an aggregate net installed capacity of 264 MW (gross 407 MW), for which power purchase agreements have been secured; and (iii) prospective projects with an aggregate net capacity totaling more than 2,844 MW (gross 2,977 MW).

The Corporation's strategy for building shareholder value is to develop or acquire high-quality facilities generating sustainable cash flows and providing a high return on invested capital, and to distribute a stable dividend.

Innergex Renewable Energy Inc. is rated BBB- by S&P and BBB (low) by DBRS.

The Corporation's Series A preferred shares (TSX: INE.PR.A) are rated P-3 by S&P and Pfd-3 (low) by DBRS.

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