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

# INNERGEX 2011 Q2 RESULTS

- Power generated increases from 369,753 MWh to 595,317 MWh;
- Revenues of $43.8 million compared with $25.4 million for the same period in 2010;
- Q2 EBITDA increases from $18.8 million to $34.6 million;
- $170 million revolving credit term facility extended five years and increased to $350 million;
- $117.3 million loan agreement for construction and long-term non-recourse debt financing of the Stardale Project.

LONGUEUIL, Quebec, August 10, 2011 – Innergex Renewable Energy Inc. (TSX: INE) ("Innergex" or the "Corporation") today released its operating and financial results for the second quarter of 2011.

## OPERATING RESULTS

| **Highlights *(in thousands of Canadian dollars except as noted and amounts per share)*** | **Three-month period ended June 30, 2011** | **Three-month period ended June 30, 2010** | **Six-month period ended June 30, 2011** | **Six-month period ended June 30, 2010** |
|---|---|---|---|---|
| | **$** | **$** | **$** | **$** |
| Power generated (MWh) | 595,317 | 369,753 | 835,497 | 527,419 |
| Long-term average (MWh) | 654,060 | 416,850 | 911,096 | 585,788 |
| Operating revenues | 43,845 | 25,355 | 64,661 | 39,353 |
| EBITDA | 34,618 | 18,780 | 49,342 | 29,509 |
| Net loss | (6,834) | (7,039) | (1,104) | (71,952) |
| Net loss ($ per share – basic and diluted) | (0.09) | (0.12) | (0.04) | (1.26) |
| Adjusted net earnings (loss) | 1,124 | 3,291 | (136) | (7687) |

In the second quarter of 2011, the increases in the power generated, operating revenues and EBITDA were due mainly to the addition of the Harrison Operating Facilities (total net installed capacity of 75.0 MW), acquired as part of the Cloudworks acquisition on April 4, 2011, to the existing 17 Operating Facilities (total net installed capacity of 325.5 MW).

For the six-month period ended June 30, 2011, in addition to the impact of the Cloudworks acquisition, results were positively influenced by the combination of Innergex Power Income Fund and Innergex, which occurred on March 29, 2010 (the ''Combination'').

Michel Letellier, President and Chief Executive Officer of the Corporation declared: ''The recent Cloudworks acquisition has already had a tremendously positive impact on the Corporation's results. Also, the closing of the $117.3 million Stardale financing agreement and the $350.0 million revolving term loan give us additional flexibility in moving forward with our development and the construction of our projects. Innergex's balance sheet has never been so strong. We intend to make good use of this enviable situation over the coming years to the benefit of our shareholders.''

| Adjusted Net Earnings (Loss) | Three-month period ended June 30, 2011 | Three-month period ended June 30, 2010 | Six-month period ended June 30, 2011 | Six-month period ended June 30, 2010 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Net loss | (6,834) | (7,039) | (1,104) | (71,952) |
| Add (deduct): | | | | |
| Non-cash expense related to royalty agreement | - | - | - | 983 |
| Unrealized net loss on derivative financial instruments | 10,907 | 14,102 | 1,373 | 16,142 |
| Unrealized net loss on unitholders' capital | - | - | - | 51,761 |
| Unrealized net (gain) loss on foreign exchange | (6) | 49 | (47) | 4 |
| Deferred tax (income)/expense associated with the above elements | (2,943) | (3,821) | (358) | (4,625) |
| Adjusted net earnings (losses) | 1,124 | 3,291 | (136) | (7,687) |

In the second quarter of 2011, the decrease in adjusted net earnings was due mainly to an $18.5 million increase in operating revenues, partly offset by an $11.2 million increase in finance costs, a $4.5 million increase in depreciation and amortization and a $2.7 million increase in operating, general and administrative expenses.

For the six-month period ended June 30, 2011, the increase in adjusted net earnings was due mainly to a $25.3 million increase in operating revenues, a $3.8 million decrease in transaction costs and $7.2 million in non-recurrent distributions declared to unitholders in 2010, partly offset by a $14.1 million increase in finance costs, a $8.3 million increase in depreciation and amortization and a $5.2 million increase in operating, general and administrative expenses.

| Adjusted Cash Flows from Operating Activities | Six-month period ended June 30, 2011 | Six-month period ended June 30, 2010 |
|---|---|---|
| | $ | $ |
| Cash flows from operating activities | 18,814 | (16,194) |
| Change in non-cash working capital items | 12,115 | 20,650 |
| Transaction costs | 1,563 | 5,330 |
| Distributions paid to unitholders | - | 9,688 |
| Net investments into the reserve | (64) | 451 |
| Adjusted cash flows from operating activities | 32,428 | 19,925 |

For the six-month period ended June 30, 2011, Innergex generated $32.4 million in adjusted cash flows from operating activities ($19.9 million in 2010).

This improvement is due mainly to additional cash flows generated by the Harrison Operating Facilities, partly offset by an $8.8 million increase in interest paid. For the six-month period, cash flows were also positively influenced by the Combination.

| Dividends | Three-month period ended June 30, 2011 | Three-month period ended June 30, 2010 | Six-month period ended June 30, 2011 | Six-month period ended June 30, 2010 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Dividends declared on Series A Preferred Shares | 1,063 | - | 2,125 | - |
| Dividends declared on common shares | 11,786 | 8,821 | 20,418 | 16,059 |
| Weighted average number of common shares outstanding – basic | 80,326 | 59,533 | 69,987 | 51,461 |
| Dividends declared on common shares ($ per share) | 0.145 | 0.148 | 0.290 | 0.317 |

During the three and six-month periods ended June 30, 2011, the Corporation declared dividends of $1.1 million and $2.1 million respectively on its Series A Preferred Shares (nil in 2010) and $11.8 million and $20.4 million respectively on its common shares or $0.145 and $0.290 per common share ($8.8 million and $16.1 million or $0.148 and $0.317 per common share respectively in 2010).

## PROJECT DEVELOPMENT

*Montagne-Sèche*
The construction of the wind farm began in the second quarter of 2010. At the end of the second quarter of 2011, all the roads had been built, 30 out of 39 foundations had been completed and six out of 39 turbines had been erected. On July 14, 2011 the substation was energized. Innergex expects the Montagne-Sèche project to be completed by December 1, 2011.

*Gros-Morne, Phase I and II*
The construction of these wind farms began in the second quarter of 2010. At the end of the second quarter of 2011, 100% and 65% of the roads for Phase I and Phase II, respectively, had been built, all the foundations for Phase I and nine out of 74 foundations for Phase II had been completed and 26 out of 67 turbines had been erected for Phase I. The substation was energized on August 4, 2011. Innergex expects the 100.5 MW Gros-Morne Phase I project to be completed by December 1, 2011, and the 111 MW Gros-Morne Phase II project to be completed by December 1, 2012.

*Stardale*
The construction of the solar farm began in November 2010. At the end of the second quarter of 2011, all the roads had been built and the fencing and clearing completed. Subarray foundations and racking are being designed under limited notices to proceed and installation of the photovoltaic modules is slated to commence in August 2011. Innergex expects the Stardale project to be completed by the end of the first quarter of 2012.

*Kwoiek Creek*
In the second quarter of 2011, the engineering, procurement and construction contractor continued working under limited notices to proceed. During this quarter, the turbine supplier and the transmission line contractor were selected and engineering work was executed under limited notices to proceed. Construction of this facility is expected to be completed in 2013.

*Northwest Stave*
In the second quarter of 2011, the main contractors were selected. Current activities are focused around design iterations, acquisition of remaining permits, geotechnical analysis for the intake design and contractor negotiations. Current on-site work continues to focus on access road construction and upgrades. The Corporation expects construction to start in the third quarter of 2011 and the facility to commence commercial operation in 2013.

*Boulder Creek, Tretheway Creek, North Creek, Upper Lillooet, and Big Silver-Shovel Creek*
Current activities include geotechnical analysis, hydrometric monitoring, environmental studies, consultation with the various stakeholders, applications for obtaining the relevant permits and preliminary engineering. The Corporation expects Boulder Creek and Tretheway Creek to start commercial operation in 2015 and North Creek, Upper Lillooet and Big Silver-Shovel Creek to start commercial operation in 2016.

## PROSPECTIVE PROJECTS

During the second quarter of 2011, the Corporation submitted an application under the FIT Program for a 10.0 MW solar photovoltaic project in Ontario, bringing Innergex's total number of FIT Program applications for solar photovoltaic projects to six, with a combined capacity of 59.0 MW.

The Cloudworks Acquisition allowed the Corporation to increase its portfolio of run-of-river hydroelectric Prospective Projects by more than 800 MW (net and gross).

## FINANCING ACTIVITIES

On July 28, 2011, the Corporation announced it had executed a loan agreement for the construction and long-term debt financing of the Stardale Project consisting of a $111.7 million non-recourse term loan and a $5.6 million letter of credit facility. With the Bank of Tokyo Mitsubishi UFJ, Ltd. as lead arranger and administrative agent, the loan is committed for the construction period and for an 18-year term following the conversion of the construction loan into a term loan.

On August 9, 2011, Innergex announced that it had completed the refinancing of its $170 million revolving credit facility with a new five-year $350 million revolving credit term facility. In addition to the increased availability, the Corporation benefits from more flexibility and improved terms and conditions.

### DIVIDEND DECLARATION

**Dividends to Preferred Shareholders**
On August 10, 2011, the Corporation declared a dividend of $0.3125 per Series A Preferred Share payable on October 17, 2011, to Series A preferred shareholders of record at the close of business on September 30, 2011.

**Dividends to Common Shareholders**
On August 10, 2011, the Corporation declared a dividend of $0.1450 per common share payable on October 17, 2011, to common shareholders of record at the close of business on September 30, 2011.

**Innergex Renewable Energy Inc.** is a leading developer, owner and operator of run-of-river hydroelectric facilities and wind energy projects in North America, and a developer of solar photovoltaic installations. 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 23 operating facilities with an aggregate net installed capacity of 401 MW; (ii) interests in 11 projects under development or under construction with an aggregate net installed capacity of 312 MW for which power purchase agreements have been secured; and (iii) prospective projects of more than 2,800 MW (net).

## NON-IFRS MEASURES

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 an earning 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 this non-IFRS measure should not be construed as an alternative to net income as determined in accordance with IFRS.

## FORWARD-LOOKING INFORMATION

In order to inform shareholders of Innergex as well as potential investors in the Corporation's future prospects, 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) availability of water flows, wind and sun light; (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.

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