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Renewable Energy.
Sustainable Development.

**News Release**
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# STRONG Q3 RESULTS REFLECT CLOUDWORKS ACQUISITION AND FAVOURABLE HYDROLOGIC AND WIND CONDITIONS

## POWER GENERATION 31% HIGHER THAN LONG-TERM AVERAGE

- Power generated increases from 356,262 MWh to 666,009 MWh for the third quarter;
- Revenues double to $50.4 million in Q3 and increase 78% to $115.1 million for nine months;
- EBITDA increases 103% to $40.1 million in Q3 and 82% to $89.4 million for nine months;
- Financing flexibility improved through extension and increase of revolving credit facility to $350 million.

**LONGUEUIL, Quebec, November 9, 2011** – Innergex Renewable Energy Inc. (TSX: INE) ("Innergex" or the "Corporation") today released its operating and financial results for the third quarter of 2011.

Michel Letellier, President and Chief Executive Officer of the Corporation was pleased to report that "the performance of the operating assets acquired as part of the Cloudworks Acquisition has surpassed our expectations to date. In addition, favourable hydrologic conditions in Quebec, Ontario, and British Columbia significantly increased production levels at most operating facilities, while favourable wind conditions helped boost production levels at the L'Anse-à-Valleau wind farm in Quebec."

The combination of the positive contribution from the Cloudworks Acquisition and favourable hydrologic and wind conditions has resulted in power generation levels that were 31% higher than the long-term average for the third quarter. For the nine-month period to September 30, 2011, the Corporation reported power generation levels that were 6% higher than the long-term average. As a result, "Innergex has completely caught up the production shortfall experienced in the first half of 2011 and remains ahead of the long-term average for the year as a whole" declared Mr. Letellier.

## OPERATING RESULTS

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

| Highlights | Three-month period ended Sept. 30, 2011 | Three-month period ended Sept. 30, 2010 | Nine-month period ended Sept. 30, 2011 | Nine-month period ended Sept. 30, 2010 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Power generated (MWh) | 666,009 | 356,262 | 1,501,506 | 883,681 |
| Long-term average (MWh) | 508,301 | 358,111 | 1,419,397 | 943,899 |
| Operating revenues | 50,465 | 25,201 | 115,126 | 64,554 |
| EBITDA | 40,098 | 19,724 | 89,440 | 49,233 |
| Net loss | (21,598) | (11,496) | (22,702) | (83,448) |
| Net loss ($ per share – basic and diluted) | (0.34) | (0.19) | (0.41) | (1.41) |
| Adjusted net earnings (loss) | 8,028 | 3,166 | 7,892 | (4,520) |

For the three-month period ended September 30, 2011, the increases in power generated, operating revenues, and EBITDA were due mainly to the addition of the operating facilities acquired as part of the Cloudworks Acquisition (hereafter referred to as the "Harrison operating facilities"), which was finalized on April 4, 2011. For the nine-month period, the increases in power generated, operating revenues, and EBITDA were also due to the addition of the Harrison operating facilities, as well as the strategic combination of the Innergex Power Income Fund with Innergex.

For the third quarter, the increase in net loss is due mainly to a higher unrealized loss on the fair market value of derivative financial instruments used to manage the Corporation's exposure to rising interest rates. For the nine-month period ended September 30, 2011, the decrease in net loss compared to the same period last year is due mainly to the unrealized loss of $51.8 million on unitholders' capital recorded in 2010 as a result of the transition to IFRS.

The Corporation believes that adjusted net earnings represents important additional information because it provides a profitability measure that excludes certain elements that have no impact on cash on hand, such as unrealized net gains or losses on derivative financial instruments, unitholders' capital, and foreign exchange, as well as the associated deferred tax impact of these items.

| **Adjusted Net Earnings (Loss)** | **Three-month period ended Sept. 30, 2011** | **Three-month period ended Sept. 30, 2010** | **Nine-month period ended Sept. 30, 2011** | **Nine-month period ended Sept. 30, 2010** |
|---|---|---|---|---|
| | **$** | **$** | **$** | **$** |
| Net loss | (21,598) | (11,496) | (22,702) | (83,448) |
| Add (deduct): | | | | |
| Non-cash expense related to royalty agreement | - | - | - | 983 |
| Unrealized net loss on derivative financial instruments | 40,510 | 20,098 | 41,883 | 36,240 |
| Unrealized loss on unitholders' capital | - | - | - | 51,761 |
| Unrealized net loss (gain) on foreign exchange | 74 | (12) | 27 | (8) |
| Deferred income tax recovery associated with the above elements | (10,958) | (5,424) | (11,316) | (10,048) |
| Adjusted net earnings (loss) | 8,028 | 3,166 | 7,892 | (4,520) |

The Corporation also believes that adjusted cash flows from operating activities provide another important measure of its operating performance and sustainability:

| **Adjusted Cash Flows from Operating Activities** | **Nine-month period ended Sept. 30, 2011** | **Nine-month period ended Sept. 30, 2010** |
|---|---|---|
| | **$** | **$** |
| Cash flows from operating activities | 33,604 | (2,456) |
| Change in non-cash operating working capital items | 23,684 | 21,427 |
| Transaction costs | 1,610 | 5,330 |
| Distributions paid to unitholders | - | 9,688 |
| Net funds withdrawn from (invested into) the reserve accounts (not funded from long-term debt) | 511 | (1,908) |
| Adjusted cash flows from operating activities | 59,409 | 32,081 |

For the nine-month period ended September 30, 2011 Innergex generated $59.4 million in adjusted cash flows from operating activities (compared to $32.1 million in 2010). This improvement is due mainly to a $40.2 million increase in EBITDA and a $1.9 million decrease in income taxes paid, partly offset by an increase of $16.2 million in interest paid.

## PROJECTS UNDER DEVELOPMENT

*Montagne-Sèche*

The construction of this wind farm began in the second quarter of 2010. At the end of the third quarter of 2011, all the roads had been built, the substation was energized, all the foundations had been completed and 34 out of 39 turbines had been erected. Shortly after the end of the quarter, on October 13, 2011, the project achieved an important milestone when the last turbine was erected. 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 third quarter of 2011, all the roads had been built for Phase I and Phase II, the substation had been energized, all the Phase I turbines had been erected, and 55 out of 74 Phase II foundations had been completed. Innergex expects the 100.5 MW Gros-Morne Phase I project to be completed by December 1, 2011, and the Gros-Morne Phase II project to be completed by December 1, 2012.

*Stardale*
At the end of the third quarter of 2011, all the roads had been built and the fencing and clearing completed. Current on-site work mainly involves construction of the substation and subarray foundations. All the SolarWorld photovoltaic modules have been received on site, and racking and module installation is slated to commence in November 2011. Even though the project will only be completed in the second quarter of 2012, Innergex expects the project to begin selling electricity to the OPA during the first quarter of 2012.

*Kwoiek Creek*
In the third quarter of 2011, the engineering, procurement, and construction contractor ("EPC contractor") continued engineering and preliminary construction work under limited notices to proceed. During this quarter, the turbine supplier and the transmission line contractor both completed engineering work and procured long lead-time items under limited notices to proceed. Construction of this facility is expected to be completed in 2013.

*Northwest Stave River*
In the third quarter of 2011, the Corporation issued a limited notice to proceed to the EPC contractor. Current activities are focused around design iterations, geotechnical analysis for the intake design, and transmission line design. Current on-site work continues to focus on access road construction, clearing, and mobilization of the EPC contractor. Construction of this facility is expected to be completed 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 the Boulder Creek and Tretheway Creek installations to start commercial operation in 2015 and the North Creek, Upper Lillooet, and Big Silver-Shovel Creek installations to start commercial operation in 2016.

## PROSPECTIVE PROJECTS

Since the beginning of 2011, the Corporation has submitted four applications of 10.0 MW each under the FIT Program for solar photovoltaic projects 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.

Mr. Letellier, President and Chief Executive Officer of the Corporation, noted that "the outcome of the Ontario provincial elections has reduced the uncertainty surrounding the FIT Program and we look forward to pursuing development opportunities in that province."

## 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. 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 extension and refinancing of its $170 million revolving credit facility with a five-year $350 million revolving credit facility. In addition to the increased availability, the Corporation benefits from more flexibility and improved terms and conditions.

As mentioned above, the Corporation uses derivative financial instruments to manage its exposure to the risk of rising interest rates on its debt financing and therefore protect the economic value of its projects. Currently, virtually all of the Corporation's actual debt and planned indebtedness are protected from interest rate increases.

## DIVIDEND DECLARATION

**Dividends to Preferred Shareholders**
On November 9, 2011, the Corporation declared a dividend of $0.3125 per Series A Preferred Share payable on January 16, 2012, to Series A preferred shareholders of record at the close of business on December 30, 2011.

**Dividends to Common Shareholders**
On November 9, 2011, the Corporation declared a dividend of $0.1450 per common share payable on January 16, 2012, to common shareholders of record at the close of business on December 30, 2011.

## NON-IFRS MEASURES

The consolidated financial statements for the three and nine-month periods ended September 30, 2011 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, adjusted net earnings, and adjusted cash flows from operating activities are not measures recognized by IFRS and have 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. References in this news release to adjusted net earnings and adjusted cash flows from operating activities are explained in the tables herein. 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 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.

**Innergex Renewable Energy Inc.** (TSX: INE) 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 400.5 MW (gross 687.8 MW), including 20 hydroelectric operating facilities and three wind farms; (ii) interests in 11 projects under development or under construction with an aggregate net installed capacity of 311.7 MW (gross 541.7 MW), for which power purchase agreements ("PPA") have been secured; and (iii) prospective projects with an aggregate net capacity totaling more than 2,800 MW (gross 3,000 MW).

The Corporation's strategy for building shareholder value is: (i) to develop or acquire high-quality renewable power production facilities that generate sustainable and stable cash flows, with the objective of achieving a high return on invested capital; and (ii) to distribute a stable dividend. As an independent clean power producer, the Corporation aims to generate value from renewable energy sources.

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.

-30-

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