INNERGEX

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Sustainable Development.

News Release
For Immediate Distribution

INNERGEX REPORTS YEAR-END 2013 RESULTS

THE COMPANY COMPLETES ANOTHER ACTIVE YEAR AND INCREASES THE DIVIDEND

- Power generated increases 13% to 2,382 GWh for the year and reaches 95% of long-term average
- Revenues increase 12% to $198.3 million and Adjusted EBITDA increases 11% to $148.9 million for the year
- Fourth quarter results affected by weak hydrology in British Columbia
- Board of Directors declares a dividend increase of $0.02 to $0.60 per common share on an annual basis

LONGUEUIL, Quebec, February 25, 2014 - Innergex Renewable Energy Inc. (TSX: INE) (“Innergex” or the “Corporation”) releases its operating and financial results for the year ended December 31, 2013.

"Our year-end results reflect several achievements, including the completion of two hydro facilities and the beginning of construction of three hydro projects in British Columbia, the commissioning of a wind farm and the acquisition of a hydro facility in Quebec, and the negotiation of a power purchase agreement for a wind energy project, also in in Quebec. We are pleased with the contributions of these achievements and the overall performance of our operating facilities, despite disappointing results in the fourth quarter resulting mainly from very dry weather conditions in British Columbia", declares Michel Letellier, President and Chief Executive Officer of the Corporation.

"As a result of the addition of four operating facilities over the last few months, the Board of Directors has decided to increase the dividend distributed to our common shareholders by 3.4% to $0.60 on an annual basis", adds Mr. Letellier.

OPERATING RESULTS

Amounts shown are in thousands of Canadian dollars except as noted otherwise.	**Three months ended December 31**		**Years ended December 31**	
	2013	**2012** (restated)[3]	**2013**	**2012** (restated)[3]
Power generated (MWh)	496,613	531,564	2,381,820	2,104,945
Long-term average (MWh)	608,787	538,835	2,502,562	2,169,182
Revenues	41,365	47,117	198,259	176,655
Adjusted EBITDA[1]	25,565	34,247	148,916	133,792
Net earnings (loss)	3,421	(595)	45,431	(5,383)
Net earnings (loss), $ per share[2]	0.05	(0.00)	0.43	(0.03)
Free Cash Flow[1]	N/A	N/A	58,982	43,897
Payout Ratio[1]	N/A	N/A	93%	115%

1 Please refer to the "Non-IFRS measures disclaimer" for the definition of Adjusted EBITDA, Free Cash Flow and Payout Ratio.
2 Net earnings (loss) per share is calculated as net earnings (loss) attributable to owners of the parent, less dividends declared on preferred shares, divided by the weighted average number of common shares outstanding.
3 2012 results have been restated to reflect the application of IFRS 11.

Annual results

During the year ended December 31, 2013, the Corporation's facilities produced 2,382 GWh of electricity, or 95% of the long-term average (LTA). Overall, hydroelectric facilities produced 93% of their LTA. In Ontario and Quebec, water flows have remained better than average at most facilities throughout the year. In British Columbia, above-average water flows at most facilities in the second and third quarter could not compensate for below-average hydrology in the first and fourth quarters, as this province had one of the driest years on record, with precipitations approximately 30% below average. Overall, wind farms produced 101% of their LTA, as above-average wind conditions during the third quarter were enough to offset the lower-than-average wind conditions during the first, second and fourth quarters. The Stardale solar farm produced 103% of its LTA.

For the year ended December 31, 2013, the Corporation recorded revenues of $198.3 million, compared with $176.7 million in 2012, and Adjusted EBITDA of $148.9 million, compared with $133.8 million in 2012. These increases of 12% and 11% respectively are attributable mainly to the full-year contribution of the Stardale solar farm commissioned in May 2012 and the Brown Lake and Miller Creek hydroelectric facilities acquired in October 2012, the additional capacity at the Gros-Morne wind farm since November 2012 and the acquisition of the Magpie hydroelectric facility in July 2013. These contributions were partly offset by hydroelectricity production levels that were lower in British Columbia and the United States, compared with last year, resulting in fewer revenues available to absorb operating and general and administrative expenses, which are not directly correlated to production levels.

For the year ended December 31, 2013, the Corporation recorded net earnings of $45.4 million (basic and diluted net earnings of $0.43 per share), compared with a net loss of $5.4 million (basic and diluted net loss of $0.03 per share) in 2012. This variation is due mainly to the reasons mentioned above and to a higher unrealized net gain and a smaller realized net loss on derivative financial instruments in 2013 compared with 2012. Excluding the unrealized net gains and realized net losses on derivative financial instruments and related income taxes, net earnings for the year ended December 31, 2013 would have been $12.6 million, compared with a net loss of $1.1 million in 2012.

Free Cash Flow and Payout Ratio

For the year ended December 31, 2013, the Corporation generated Free Cash Flow of $59.0 million, compared with $43.9 million for the same period last year. This increase is due mainly to greater cash flows from operations resulting from the increase in the number of facilities in operation, partly offset by greater scheduled debt principal payments resulting from the start of the amortization period on a number of project-level debts (Rutherford Creek, Stardale, Montagne Sèche), as well as higher dividends paid on preferred shares following the issuance of Series C preferred shares in December 2012.

The Payout Ratio represents the dividends declared on common shares divided by Free Cash Flow. The Corporation believes it is a measure of its ability to sustain current dividends and dividend increases, as well as its ability to fund its growth. For the year ended December 31, 2013, the Corporation declared dividends of $0.58 per common share, the same amount as in 2012. These dividends represented 93% of Free Cash Flow, compared with 115% for the same period last year. The improvement is due mainly to the greater Free Cash Flow generated as explained above.

Fourth quarter results

For the three-month period ended December 31, 2013, the Corporation's facilities produced 497 GWh of electricity, or 82% of the LTA. Overall, hydroelectric facilities produced 74% of their LTA, as above-average water flows in Ontario and at most facilities in Quebec were not sufficient to compensate for below-average water flows in British Columbia and the United States. Production levels in British Columbia were affected by one of the driest years on record and also by a shutdown for capital improvements at the Miller Creek facility between August 8 and November 13. Overall, wind farms produced 95% of their LTA due to below-average wind conditions during the quarter, except Baie-des-Sables which experienced average wind conditions. The Stardale solar farm produced 100% of its LTA.

For the three-month period ended December 31, 2013, the Corporation recorded revenues of $41.4 million, compared with $47.1 million in 2012, and Adjusted EBITDA of $25.6 million, compared with $34.2 million in 2012, due mainly to below-average water flows in British Columbia and the United States, compared with above-average water flows in the same period last year, which more than offset the full-quarter contribution of the Brown Lake and Miller Creek hydroelectric facilities acquired in October 2012, the addition of capacity at the Gros Morne wind farm in November 2012 and the acquisition of the Magpie hydroelectric facility in July 2013. The greater decrease in Adjusted EBITDA is due mainly to the fact that operating and general and administrative expenses have increased as a result of the Corporation operating a greater number of facilities and that these expenses are not directly correlated to production levels.

For the three-month period ended December 31, 2013, the Corporation recorded net earnings of $3.4 million (basic and diluted net earnings per share of $0.05), compared with a net loss of $0.6 million in 2012 (basic and diluted net loss per share of $0.00). This improvement is due mainly to an unrealized net gain on derivative financial instruments of $11.7 million, compared with an unrealized net gain of $5.3 million in 2012, which offset the decrease in Adjusted EBITDA in the fourth quarter of 2013. Excluding the unrealized net gains on derivative financial instruments and the related income taxes, the Corporation would have recognized a net loss of $5.5 million for the fourth quarter ended December 31, 2013, compared with a net loss of $4.9 million in 2012.

2013 HIGHLIGHTS

- The 24.6 MW Viger-Denonville wind farm, developed in partnership with the Rivière-du-Loup Regional County Municipality, was constructed during the year and commissioned on November 19.
- The 17.5 MW Northwest Stave River and the 49.9 MW Kwoiek Creek hydroelectric facilities were completed in December and were commissioned effective December 18, 2013 and January 1, 2014, respectively.
- Construction began at the Tretheway Creek, Upper Lillooet River and Boulder Creek hydroelectric projects in British Columbia.
- The acquisition of the 40.6 MW Magpie hydroelectric facility closed on July 25.
- In May, the Corporation's partner, the Assembly of Mi'gmaq Communities of Quebec, was awarded 150 MW for the Mesgi'g Ugju's'n wind energy project in Gaspésie, Quebec. In December, the partners signed a letter of intent with Hydro-Québec Distribution for a 20-year power purchase agreement, subject to an order-in-council by the Quebec government.
- Three project-level financings totalling $186.5 million were closed, including $61.7 million for the Viger-Denonville wind farm, $72.0 million for the Northwest Stave River hydroelectric facility and $52.8 million for the refinancing of the Carleton wind farm. The Corporation's $425.0 million revolving term credit facility was also extended to 2018.
- A $7.0 million capital improvement program was completed at the Miller Creek hydroelectric facility, increasing its long-term average production by 5%.
- The Corporation signed a letter of intent and a Traditional Knowledge Protocol Agreement with the Saik'uz First Nation regarding the development of a wind energy project of approximately 210 MW in British Columbia. This project is currently undergoing an Environmental Assessment.
- In December, the Corporation was added to the S&P/TSX Composite Index, as well as the S&P/TSX Composite Dividend Index, the S&P/TSX Equity Income Index and the S&P/TSX Composite Low Volatility Index.

DEVELOPMENT PROJECTS

Tretheway Creek hydroelectric project

The construction of this hydroelectric facility began in October 2013. Installation of the construction camp has been completed and clearing and excavation for the intake, powerhouse and penstock are underway. Estimated project costs have been adjusted from $108.5 million to $111.5 million to reflect inflationary pressures on construction costs in British Columbia. During the fourth quarter of 2013, the Corporation began a hedging program in order to fix the interest rate for this project's financing through the use of derivative financial instruments, until it closes the project-level financing. This hedging program was essentially completed in January 2014, effectively eliminating the project's exposure to interest rate fluctuations.

Upper Lillooet River, Boulder Creek and North Creek hydroelectric projects (the "Upper Lillooet Hydro Project")

The construction of the Upper Lillooet River and Boulder Creek hydroelectric facilities began in October 2013. Geotechnical investigations at Upper Lillooet River's powerhouse and intake have been completed and construction camp preparations at Boulder Creek are underway. Clearing for the joint transmission line is also underway. As planned, construction activities have been halted for the winter period; they will resume in the spring of 2014. Estimated project costs have been adjusted to reflect a reallocation of costs between the two projects. During the fourth quarter of 2013, the Corporation began a hedging program in order to fix the interest rate for these projects' financings through the use of derivative financial instruments, until it closes the project-level financings. This hedging program was essentially completed in January 2014, effectively eliminating the projects' exposure to interest rate fluctuations.

Big Silver Creek hydroelectric project

The project has received its land tenure and water licence from the provincial government. The remaining permits are in the process of being obtained and present no technical obstacles. The turbine and generator supplier has been selected. Construction for this project is expected to begin in the spring of 2014 once a leave to commence construction is obtained. The Corporation is currently negotiating with civil works and transmission line contractors. In light of these negotiations, estimated project costs have been adjusted from $191.8 million to $216.0 million to reflect inflationary pressures on construction costs in British Columbia, namely for the power tunnel. During the fourth quarter of 2013, the Corporation began a hedging program in order to fix the interest rate for this project's financing through the use of derivative financial instruments, until it closes the project-level financing. This hedging program was essentially completed in January 2014, effectively eliminating the project's exposure to interest rate fluctuations.

Mesgi'g Ugju's'n ("MU") wind project

In December 2013, the Corporation and its Mi'gmaq partner signed a letter of intent with Hydro-Québec Distribution for a 20-year fixed-price power purchase agreement, which is subject to an order-in-council by the Quebec government. Open houses have been conducted and an information session was held recently as part of the province's environmental review process. Negotiations with potential turbine suppliers are underway. Pre-construction activities are expected to start in 2014, construction is expected to start in 2015, and commercial operation is expected to begin at the end of 2016. Upon signing the power purchase agreement, the Corporation intends to enter into a hedging program to fix the interest rate for this project's financing through the use of derivative financial instruments, until it closes the project-level financing.

DIVIDEND DECLARATION

Dividends to preferred shareholders

On February 25, 2014, the Corporation declared a dividend of $0.3125 per Series A preferred share payable on April 15, 2014, to Series A preferred shareholders of record at the close of business on March 31, 2014.

On February 25, 2014, the Corporation declared a dividend of $0.359375 per Series C preferred share payable on April 15, 2014, to Series C preferred shareholders of record at the close of business on March 31, 2014.

Dividends to common shareholders

On February 25, 2014, the Corporation declared a dividend of $0.15 per common share payable on April 15, 2014, to common shareholders of record at the close of business on March 31, 2014. On an annual basis, this represents an increase of $0.02, to $0.60 per common share.

CONFERENCE CALL AND WEBCAST REMINDER

The Corporation will hold a conference call and webcast tomorrow, Wednesday February 26, 2014 **at 10:00 a.m. ET**. Its 2013 year-end results and 2014 objectives 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**, and to access the webcast at **http://services.choruscall.ca/links/innergexend13.html** or via the Corporation's website at **www.innergex.com**. Media and the public may also access this conference call and webcast on a listen-only mode. A replay of the conference call and webcast will be available later the same day on the Corporation's website.

About Innergex Renewable Energy Inc.

Innergex Renewable Energy Inc. (TSX: INE) is a leading Canadian independent renewable power producer. Active since 1990, 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 currently consists of: (i) interests in 32 operating facilities with an aggregate net installed capacity of 672 MW (gross 1,164 MW), including 25 hydroelectric operating facilities, six wind farms, and one solar photovoltaic farm; (ii) interests in five projects under development or under construction with an aggregate net installed capacity of 210 MW (gross 321 MW), for which power purchase agreements have been secured; and (iii) prospective projects with an aggregate net capacity totaling 2,900 MW (gross 3,125 MW). Innergex Renewable Energy Inc. is rated BBB- by S&P and BB (high) by DBRS (unsolicited rating).

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

Non-IFRS measures

The consolidated financial statements for the year ended December 31, 2013 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 the Corporation's production and cash generation capabilities, its ability to sustain current dividends and dividend increases and its ability to fund its growth. These indicators also facilitate the comparison of results over different periods. Adjusted EBITDA, Free Cash Flow and Payout Ratio are not measures recognized by IFRS and have no standardized meaning prescribed by IFRS. References in this document to “Adjusted EBITDA” are to revenues less operating expenses, general and administrative expenses and prospective project expenses. References to “Free Cash Flow” are to cash flows from operations before changes in non-cash operating working capital items, less maintenance capital expenditures net of proceeds from disposals, scheduled debt principal payments, preferred share dividends declared and the portion of Free Cash Flow attributed to non-controlling interests, as well as adjustments that represent cash inflows and outflows that are not representative of the Corporation’s long-term cash generating capacity, such as transaction costs related to realized acquisitions, realized losses or gains on derivative financial instruments used to hedge the interest rate on project-level debt, and cash receipts by non-wholly owned subsidiaries for the wheeling services to be provided to another subsidiary.

References to “Payout Ratio” are to dividends declared on common shares divided by Free Cash Flow. Readers are cautioned that Adjusted EBITDA should not be construed as an alternative to net earnings and Free Cash Flow should not be construed as an alternative to cash flows from operating activities, as determined in accordance with IFRS.

Forward-looking information

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. It includes future-oriented financial information, such as estimated project costs, to inform readers of the potential financial impact of development projects. Such information may not be appropriate for other purposes.

Forward-Looking Information in this press release is based on certain principal 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
Estimated project costs, expected obtainment of permits, start of construction, work conducted and start of commercial operation for Development Projects or Prospective Projects For each development project, the Corporation provides an estimate of project costs based on its extensive experience as a developer, directly related incremental internal costs, site acquisition costs and financing costs, which are eventually adjusted for projected costs provided by the engineering, procurement and construction (EPC) contractor retained for the project. The Corporation provides indications regarding scheduling and construction progress for its development projects and indications regarding its Prospective Projects, based on its extensive experience as a developer.	Performance of counterparties, such as the EPC contractors Delays and cost overruns in the design and construction of projects Obtainment of permits Equipment supply Interest rate fluctuations and availability of financing Relationships with stakeholders Regulatory and political risks

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; its ability to access sufficient capital resources; liquidity risks related to derivative financial instruments; changes in hydrology, wind regimes and solar irradiation; delays and cost overruns in the design and construction of projects; the ability to develop new facilities; variability of installation performance and related penalties; and the ability to secure new power purchase agreements.

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.

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