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News Release
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INNERGEX AND THE MI'GMAQ COMMUNITIES OF QUEBEC SIGN A 20-YEAR POWER PURCHASE AGREEMENT FOR A 150 MW WIND PROJECT

- Marks an important milestone in the progression of this project
- First wind farm in Gaspésie to be developed in partnership with First Nations communities

LONGUEUIL, Quebec, March 24, 2014 – Innergex Renewable Energy Inc. (TSX: INE) ("Innergex" or the "Corporation") announces that the Mesgi'g Ugju's'n (MU) Wind Farm, L.P. has signed a 20-year power purchase agreement with Hydro-Québec Distribution for a 150 MW wind energy project located in the Gaspé Peninsula, in Quebec. This entity is controlled 50-50 by Innergex and by the three Mi'gmaq communities of Quebec – Gesgapegiag, Gespeg and Listuguj. Innergex is responsible for the management of the construction and the operation of the wind farm.

"We are honoured and proud to have been chosen by the Mi'gmaq communities of Quebec to jointly develop this wind energy project, and the signing of a power purchase agreement marks an important milestone in the progression of its development", states Michel Letellier, President and Chief Executive Officer of Innergex.

"This project is significant to the socio-economic development of the Mi'gmaq communities of Gesgapegiag, Gespeg and Listuguj. It will create wealth and jobs not only for our members, but also for our neighbours in Gaspésie and elsewhere in Quebec. We see great opportunities for the future", declares Chief Claude Jeannotte, Chairperson of the Mi'gmawei Mawiomi.

The 150 MW Mesgi'g Ugju's'n wind project is located on public lands in the Avignon Regional County Municipality in Quebec. The environmental impact assessment for the project has been completed and submitted to the Ministry of Sustainable Development, Environment, Wildlife and Parks. Open houses have been conducted and an information session was held in February as part of the information-gathering portion of the province's environmental review process. Negotiations with potential turbine suppliers are underway. The partners expect to begin pre-construction activities, such as wood clearing, in late 2014 once all authorizations have been received, and to begin construction in 2015. They expect to begin commercial operation of the wind farm at the end of 2016. The cost of the project is currently estimated at approximately $365.0 million and will be financed in a proportion of approximately 80% with non-recourse, fixed-rate project-level debt. To this end, the partners have begun a hedging program to fix the base interest rate through the use of derivative financial instruments, until a project financing is closed.

The wind farm is expected to have a long-term average annual production of approximately 515,000 MWh, enough to power more than 30,000 Quebec households each year. In its first full year of operation, it is expected to generate revenues and Adjusted EBITDA of approximately $55.0 million and $45.0 million respectively. The 20-year power purchase agreement signed with Hydro-Québec Distribution is now in effect and requires no further approvals. This contract stipulates a selling price of $0.1012 per kWh in 2014 dollars, with an annual adjustment based on 100% of the Consumer Price Index until the end of 2016 and on 20% thereafter. This is equivalent to a price of $0.089 per kWh in 2014 dollars, with an annual adjustment based on 100% of the Consumer Price Index, thereby respecting the maximum of $0.09 per kWh established by the Government of Quebec.

The partners will share in the distributions from the project in varying proportions, based in part on their initial equity investment. Initially, the Corporation expects to fund a majority of the equity investment required for this project; as a result, it expects to receive approximately 75% of the project's cash flows during the first year. However, during the first 15 years of operation, the Mi'gmaq communities of Quebec will have the right to gradually increase their equity investment in the project up to 65% (by purchasing portions of the Corporation's equity at a price based on the present value of future cash flows using a predetermined rate of return) and therefore receive a higher proportion of cash flows. In any event, starting in the 16th year, the Corporation will receive no less than 35% and no more than 40% of the project's annual cash flows for the remaining life of the project.

About the Mi’gmawei Mawiomi

The Mi’gmawei Mawiomi is an Assembly comprising the three Mi’gmaq communities located in Gespe’gewa’gi: Gesgapegiag, Gespeg and Listuguj. The Assembly ensures, among other things, the Mi’gmaq Nation has access to its resources, the purpose of which is to support the political and social objectives of the Mi’gmaq governments. The Assembly has established a secretariat, the Mi’gmawei Mawiomi Secretariat (MMS), whose focus is creating an independent Mi’gmaq government based on a Constitution that promotes and protects the rights, freedoms and well-being of the Mi’gmaq.

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 and British Columbia and in 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

Readers are cautioned that Adjusted EBITDA is not a measure recognized by IFRS and has no 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 readers with additional information about its cash generation capabilities and facilitates the comparison of results over different periods. References to “Adjusted EBITDA” are to revenues less operating expenses, general and administrative expenses and prospective project expenses. Readers are cautioned that this non-IFRS measure should not be construed as an alternative to net earnings 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 that 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 electricity production, revenues, Adjusted EBITDA, project costs and financing, to inform readers of the potential financial impact of developing the Mesgi’g Ugju’s’n wind energy project. Such information may not be appropriate for other purposes.

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; and variability of installation performance and related penalties.

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 production, revenues and Adjusted EBITDA <u>For each facility</u>, the Corporation determines an **annual long-term average level of electricity production (LTA)** over the expected life of the facility, based on several factors that include, without limitation, historically observed water flows or wind or solar irradiation conditions, turbine or panel technology, 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. The Corporation then estimates expected **annual revenues** for each facility by multiplying its LTA by a price for electricity stipulated in the power purchase agreement secured with a public utility or other creditworthy counterparty. These agreements stipulate a base price and, in some cases, a price adjustment depending on the month, day and hour of delivery. In most cases, power purchase agreements also contain an annual inflation adjustment based on a portion of the Consumer Price Index. The Corporation then 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.	Improper assessment of water, wind and sun resources and associated electricity production Variability in hydrology, wind regimes and solar irradiation Equipment failure or unexpected operations & maintenance activity Unexpected seasonal variability in the production and delivery of electricity Variability of facility performance and related penalties Changes to water and land rental expenses Number of prospective projects in activity Unexpected maintenance expenditures Lower inflation rate than expected
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
Expected project financing The Corporation provides indications of its intention to secure non-recourse project-level debt financing for its development projects, based on the expected LTA production and expected costs of each project, the expected remaining power purchase agreement term, a leverage ratio of approximately 75%-85%, as well as the Corporation's extensive experience in project financing and knowledge of the capital markets.	Interest rate fluctuations and availability of financing Financial leverage and restrictive covenants governing current and future indebtedness

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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