News Release
For Immediate Distribution

INNERGEX ANNOUNCES MU WIND PROJECT OBTAINS GOVERNMENT DECREE

LONGUEUIL, Quebec, October 16, 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 obtained the government decree from the Quebec government for a 150 MW wind project located in the Gaspé Peninsula, in Quebec. This entity is controlled 50-50 by the three Mi'gmaq communities of Quebec – Gesgapegiag, Gespeg and Listuguj and by Innergex, which is also responsible for the management of the construction and the operation of the wind farm.

Obtainment of the decree marks the conclusion of the project's environmental approval process and gives the green light for construction to begin.

"Innergex and its partner, the Mi'gmaq communities of Quebec, have reached an important milestone in the development of this wind project and we look forward to beginning pre-construction activities soon" declares Michel Letellier, President and Chief Executive Officer of Innergex. "This project enjoys a very high degree of social acceptability, is being developed in compliance with environmental requirements, and will provide substantial economic benefits for our partners and value for our shareholders" adds Mr. Letellier.

The MU wind project is located on public lands in the Avignon Regional County Municipality in Quebec. The partners expect to begin pre-construction activities, such as wood clearing, in late 2014 and to begin construction in 2015. They further 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 at least 70% with non-recourse, fixed-rate project-level debt. To this end, the partners have completed a hedging program to fix the base interest rate through the use of derivative financial instruments, until closing of the project-level financing. 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. All of the electricity the facility will produce is covered by a 20-year fixed-price power purchase agreement with Hydro-Québec, which provides for an annual adjustment to the selling price based on a portion of the Consumer Price Index. In its first full year of operation, the MU wind farm is expected to generate revenues and Adjusted EBITDA of approximately $55.0 million and $45.0 million respectively.

About Innergex Renewable Energy Inc.

Innergex Renewable Energy Inc. 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 33 operating facilities with an aggregate net installed capacity of 687 MW (gross 1,194 MW), including 26 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 208 MW (gross 319 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. Its shares are listed on the Toronto Stock Exchange under the symbol "INE".

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 Disclaimer

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 production, revenues and Adjusted EBITDA as well as estimated project costs and project-level financing, to inform readers of the potential financial impact of the Mesgi’g Ugju’s’n (“MU”) wind development project. Such information may not be appropriate for other purposes.

Forward-Looking Information in this press release is based on certain key expectations and 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 For each facility, 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 (**Adjusted EBITDA of the facility**) 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 and 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 Unexpected maintenance expenditures Lower-than-expected inflation
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 financing risk Relationships with stakeholders Regulatory and political risks Higher-than-expected inflation
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 financing risk Financial leverage and restrictive covenants governing current and future indebtedness

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 for building shareholder value; its ability to raise additional capital and the state of capital markets; liquidity risks related to derivative financial instruments; variability in hydrology, wind regimes and solar irradiation; delays and cost overruns in the design and construction of projects; uncertainty surrounding the development of new facilities; variability of installation performance and related penalties; the ability to secure new power purchase agreements or to renew existing ones; and the ability to realize the benefits of the acquisition of the SM-1 hydroelectric facility.

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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