

**News Release
For Immediate Distribution**

**THE THREE MI'GMAQ COMMUNITIES OF QUEBEC ALONG WITH INNERGEX ANNOUNCE
THE BEGINNING OF COMMERCIAL OPERATION OF THE MESGI'G UGJU'S'N WIND PROJECT**

- Contribution to Innergex's annual revenues of approximately \$59.6 million
- First wind project completed in partnership with an Indigenous nation in Quebec
- Electricity to power around 30,000 Quebec households each year
- Completed within budget

LONGUEUIL, Quebec, December 29, 2016 – The three Mi'gmaq communities of Quebec and Innergex Renewable Energy Inc. (TSX: INE) ("Innergex" or the "Corporation") are proud to announce that the 150 MW Mesgi'g Ugju's'n wind farm, located in Gaspésie, Quebec, has begun commercial operation.

The project is owned by the Mesgi'g Ugju's'n (MU) Wind Farm, L.P., an entity controlled 50-50 by the three Mi'gmaq communities of Quebec – Gesgapegiag, Gespeg and Listuguj and by Innergex, which was in charge of the management of the construction and will be responsible for the operation of the wind farm. The project is located on public lands in the Avignon Regional County Municipality in Quebec. Construction began in May 2015 and was completed within budget.

"The completion of construction represents a historic moment for our assembly, the Mi'gmawei Mawiomí, and the Mi'gmaq communities," notes Troy Jerome, outgoing president of the board for the Mesgi'g Ugju's'n wind farm. "By employing 110 workers from the Mi'gmaq community during the construction of the project, we have shown that such projects can contribute to the social and economic development of the Mi'gmaq communities. With the start of electricity generation, four Mi'gmaq technicians are also at work on a full-time basis as part of the team that will keep these turbines maintained and running. We also extend our recognition to the project's two main contractors, Borea construction and Servion, for their efforts in attaining these employment goals," adds Mr. Jerome.

"It is an honour for Innergex to have been chosen as a partner for the Mesgi'g Ugju's'n project, particularly since it is the first wind project completed in partnership with an Indigenous Nation in Quebec. It is a project of an exceptional scale that was developed under the leadership of the Mi'gmaq communities," states Michel Letellier, President and Chief Executive Officer of the Corporation.

The average annual production of the Mesgi'g Ugju's'n wind farm is estimated to reach 562,500 MWh, enough to power about 30,000 Quebec households each year. In its first full year of operation, it is expected to generate revenues and Adjusted EBITDA of circa \$59.6 million and \$52.5 million respectively. 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.

About Innergex Renewable Energy Inc.

The Corporation 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, Canada, in Idaho, USA, and in France. Its portfolio of assets currently consists of: (i) interests in 46 operating facilities with an aggregate net installed capacity of 909 MW (gross 1,533 MW), including 29 hydroelectric facilities, 16 wind farms and one solar farm; (ii) interests in two projects under construction with an aggregate net installed capacity of 71 MW (gross 107 MW), for which power purchase agreements have been secured; and (iii) prospective projects with an aggregate net capacity totalling 3,280 MW (gross 3,530 MW). Innergex Renewable Energy Inc. is rated BBB- by S&P.

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

Non-IFRS measures disclaimer.

Readers are cautioned that Adjusted EBITDA is not a measure recognized by IFRS and has no standardized 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 the reader with additional information about its cash generation capabilities and facilitates the comparison of results over different periods. References in this press release to “Adjusted EBITDA” are to revenues less operating expenses, general and administrative expenses and prospective project expenses. Readers are cautioned that Adjusted EBITDA 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 expected production, revenues and Adjusted EBITDA, to inform readers of the potential financial impact of the Mesgi'g Uguju's'n 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
<p>Expected production For each facility, the Corporation determines a long-term average annual level of electricity production ("LTA") over the expected life of the facility, based on engineers' studies that take into consideration a number of important factors: for wind energy, the historical wind and meteorological conditions and turbine technology. Other factors taken into account include, without limitation, site topography, 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.</p>	<p>Improper assessment of wind resources and associated electricity production Variability in wind regime Equipment failure or unexpected operations and maintenance activity Natural disaster</p>
<p>Projected Revenues For each facility, expected annual revenues are estimated by multiplying the 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.</p>	<p>Production levels below the LTA caused mainly by the risks and uncertainties mentioned above Unexpected seasonal variability in the production and delivery of electricity Lower-than-expected inflation rate</p>
<p>Projected Adjusted EBITDA For each facility, the Corporation 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).</p>	<p>Variability of facility performance and related penalties Unexpected maintenance expenditures Changes in the purchase price of electricity upon renewal of a PPA</p>

Material risks and uncertainties

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 limitations: 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 and variability of installation performance and related penalties.

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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