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**News Release**  
**For Immediate Distribution**

## INNERGEX GROWS AND BECOMES SOLE OWNER AND OPERATOR OF THE FIVE CARTIER WIND FARMS THROUGH THE ACQUISITION OF ITS PARTNER'S INTEREST

- \$630 million transaction to meaningfully increase Innergex's net installed capacity by 366 MW
- Projected contribution to revenues and Adjusted EBITDA of \$82.9 million and \$68.4 million, respectively
- Management and operations of the wind farms to be fully assumed by Innergex
- Addition of 46 employees to Innergex team with a solid expertise in operating wind farms

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**LONGUEUIL, Quebec, August 2, 2018** – Innergex Renewable Energy Inc. (TSX: INE) (“Innergex” or the “Corporation”) is pleased to announce that it has signed a final agreement to acquire TransCanada's 62% interest in five wind farms in the Gaspé peninsula in Quebec known as Baie-des-Sables, Carleton, Gros-Morne, L'Anse-à-Valleau and Montagne Sèche (the “Cartier Wind Farms”), as well as its 50% interest in the operating entities of the Cartier Wind Farms (the “Cartier Operating Entities”), for total consideration of approximately \$630 million (the “Transaction”). Innergex currently owns the remaining interests in both the Cartier Wind Farms and Cartier Operating Entities.

“By acquiring TransCanada's interest in the Cartier Wind Farms and Cartier Operating Entities, not only do we add 366 MW of net installed capacity to our portfolio, but we look forward to welcoming a team with unique expertise to advance our future growth projects,” said Michel Letellier, President and Chief Executive Officer of Innergex. “We have always considered Cartier Wind Farms as an integral part of our business and the Transaction fits seamlessly with our growth strategy and allows us to expand in Quebec, the province where Innergex laid its roots. With this acquisition, our breakthrough in Chile and our projects under construction or in development, not only will we reach our goal of net 2,000 MW but we should reach net 2,500 MW by 2020. We are proud to solidify our position as a leader in the Canadian renewable energy market.”

### **FINANCING**

Innergex has obtained commitments from two leading Canadian banks, BMO Capital Markets and TD Securities, to backstop its existing credit facilities and to provide two short-term credit facilities to cover the purchase price and transaction costs in its entirety. The financing has been structured to allow Innergex to maintain a solid investment-grade rating.

A first one-year term credit facility of \$400 million non-recourse to Innergex will allow the Corporation to put in place a non-recourse long-term financing at the project level based on the useful life of the assets. The 62% interest in Cartier Wind Farms being acquired is currently debt-free.

A second one-year term credit facility of \$240 million will be reimbursed through the strategic divestment of a minority interest in the Cartier Wind Farms and of other assets which could further benefit the Corporation.

Innergex intends to find a partner to acquire, in a structured transaction, a stake in Cartier Wind Farms which will increase shareholders' return while optimizing the investment structure. Innergex will keep 100% ownership interest in Cartier Operating Entities.

Innergex also concluded that selected asset divestments to supply equity for the transaction are optimal for its long-term performance and outlook. Innergex believes there are a number of attractive, actionable opportunities to monetize selected assets or portions of existing assets in a manner that supports Innergex's long-term strategy. The Corporation will diligently investigate these various options to derive maximum value from its portfolio of assets. The timing of such sales is subject to prevailing market conditions but are expected to be completed within a year.

## DESCRIPTION OF THE ACQUIRED ASSETS

The Cartier Wind Farms are located in the Gaspésie region of Quebec. With an aggregated gross installed capacity of 590 MW, the expected long-term average annual power generation is approximately 1,780 GWh, enough to power about 80,900 Quebec households. All of the electricity produced by these wind farms is sold under existing power purchase agreements ("PPAs") at fixed prices of which a portion is adjusted according to inflation indexes, for initial terms of 20 years, ending between 2026 and 2032, with Hydro-Québec.

Innergex expects the 62% acquired interest in the Cartier Wind Farms to generate revenues of approximately \$82.9 million and projected Adjusted EBITDA of approximately \$68.4 million annually.

Project Name	Gross Capacity (MW)	Capacity Acquired (MW)	PPA Expiry
Baie-des-Sables	109.5	67.9	2026
Carleton	109.5	67.9	2028
Gros-Morne	211.5	131.1	2032
L'Anse-à-Valleau	100.5	62.3	2027
Montagne Sèche	58.5	36.3	2031
<b>Total</b>	<b>589.5</b>	<b>365.5</b>	

With this Transaction, Innergex will take over management and operations of the Cartier Wind Farms. The Cartier Operating Entities consist of a team of 42 people dedicated to operations and maintenance and 4 administrative employees who will join Innergex's ranks of wind experts who will create synergies and optimize management of our growing portfolio of wind assets.

Innergex expects to complete the acquisition of Cartier Wind Farms and Cartier Operating Entities in the fourth quarter of 2018, subject to regulatory approvals, key third party consents and other customary closing conditions. The Transaction is not subject to approval by Innergex's shareholders.

## ADVISORS

TD Securities acted as financial advisor and McCarthy Tétrault LLP acted as legal counsel to Innergex in respect of the transaction.

## CONFERENCE CALL

Innergex will host a conference call on August 2, 2018 at 9 AM EDT. Analysts and institutional investors are invited to access the conference call by dialing 1-888-231-8191 or 647-427-7450. Journalists as well as the public may access this conference call via listen mode only. A replay of the conference call will be available after the event on the Corporation's website at [www.innergex.com](http://www.innergex.com).

### **About Innergex Renewable Energy Inc.**

The Corporation develops, acquires, owns and operates hydroelectric facilities, wind farms, solar farms and geothermal power generation plants. As a global player in the renewable energy sector, Innergex conducts operations in Canada, the United States, France, Iceland and Chile. Innergex manages a large portfolio of assets currently consisting of interests in 68 operating facilities with an aggregate net installed capacity of 1,725 MW (gross 3,072 MW), including 37 hydroelectric facilities, 25 wind farms, four solar farms and two geothermal facilities. Innergex also holds interests in five projects under development with a net installed capacity of 719 MW (gross 800 MW) two of which are currently under construction and prospective projects at different stages of development with an aggregate net capacity totalling 8,180 MW (gross 8,850 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**

To inform readers of the Corporation's future prospects, this press release contains forward-looking information within the meaning of applicable securities laws, including, but not limited to, statements relating to the anticipated completion of the Transaction and timing for such completion, sources and impact of funding of the Transaction (including the consummation and timing of the potential divestiture of selected assets and the participation of minority partner(s) in the Cartier Wind Farms), and strategic, operational and financial benefits and accretion expected to result from the Transaction, Innergex's power production, business strategy, future development and growth prospects, business integration, governance, business outlook, objectives, plans and strategic priorities, and other statements that are not historical facts ("Forward-Looking Information"). Forward-Looking Information can generally be identified by the use of words such as "approximately", "may", "will", "could", "believes", "expects", "intends", "should", "plans", "potential", "project", "anticipates", "estimates", "scheduled" or "forecasts", or other comparable terminology that state that certain events will or will not occur. It represents the projections and expectations of the Corporation relating to future events or results as of the date of this press release.

Forward-Looking Information includes future-oriented financial information or financial outlook within the meaning of securities laws, such as expected production, projected revenues and projected Adjusted EBITDA, to inform readers of the potential financial impact of the acquisitions, of the Corporation's ability to sustain current dividends and of its ability to fund its growth. Such information may not be appropriate for other purposes.

Forward-looking statements are based on certain key expectations and assumptions made by Innergex, including expectations and assumptions concerning availability of capital resources; economic and financial conditions; project performance and the timing of receipt of the requisite court, regulatory and other third-party approvals. Although Innergex believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Innergex can give no assurance that they will prove to be correct.

Since forward-looking statements address future events and conditions, they are by their very nature subject to inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the renewable energy industry in general such as execution of strategy; ability to develop projects on time and within budget; capital resources; derivative financial instruments; current economic and financial conditions; hydrology and wind regimes, geothermal resources and solar irradiation; construction, design and development of new facilities; performance of existing projects; equipment failure; interest rate and refinancing risk; currency exchange rates, variation in merchant price of electricity, financial leverage and restrictive covenants; and relationships with public utilities. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the operations or financial results of Innergex are included in Innergex's annual information form available on SEDAR at [www.sedar.com](http://www.sedar.com).

There are also risks inherent to the Transaction, including incorrect assessments of the value of the entity; failure to satisfy the closing conditions; exercise of termination rights by Innergex or TransCanada; failure to obtain the requisite regulatory approvals and other third-party consents, including approval by the Competition Bureau. Accordingly, there can be no assurance that the Transaction will occur, or that it will occur on the terms and conditions, or at the time, contemplated in this press release. The Transaction could be modified, restructured or terminated. There can also be no assurance that the strategic, operational or financial benefits expected to result from the Transaction will be realized. In addition, the potential divestiture of selected assets and the participation of minority partner(s) in the Cartier Wind Farms are also subject to inherent risks and uncertainties including the outcomes of Innergex's exploration to find interested purchaser(s) and partner(s), the ability to correctly assess the value of the assets, the consummation and timing of any such transaction(s) and the terms of such transaction(s), if any, and if consummated, the ability of Innergex to realize the expected benefits of such transaction(s).

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><b>Expected production</b></p> <p>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</p> <p>Variability in wind regimes</p> <p>Equipment failure or unexpected operations and maintenance activity</p> <p>Natural disaster</p>
<p><b>Projected revenues</b></p> <p>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 mainly. 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</p> <p>Unexpected seasonal variability in the production and delivery of electricity</p> <p>Lower-than-expected inflation rate</p> <p>Changes in the purchase price of electricity upon renewal of a PPA</p>
<p><b>Projected Adjusted EBITDA</b></p> <p>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>Production levels below the LTA caused mainly by the risks and uncertainties mentioned above</p> <p>Unexpected seasonal variability in the production and delivery of electricity</p> <p>Lower-than-expected inflation rate</p> <p>Changes in the purchase price of electricity upon renewal of a PPA</p> <p>Lower revenues caused mainly by the risks and uncertainties mentioned above</p> <p>Variability of facility performance and related penalties</p> <p>Unexpected maintenance expenditures</p>

Principal Assumptions

Principal Risks and Uncertainties

**Expected closing of the acquisition and of the Financing to be made by TD Securities Inc. and BMO Capital Markets**

The Corporation reasonably expects that the closing conditions will be completed within the deadlines.

Availability of the capital  
Regulatory and political risks  
Performance of the counterparties

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 forward-looking statements contained in this press release are made as of the date hereof and Innergex undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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**For information**

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