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News Release
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INNERGEX COMPLETES ACQUISITION OF TWO HYDRO FACILITIES IN CHILE

LONGUEUIL, Quebec, July 5, 2018 – Innergex Renewable Energy Inc. (TSX: INE) (“Innergex” or the “Corporation”) is proud to announce that Energía Llaima has completed the previously announced acquisition of the 140 MW Duqueco hydro project in Chile, consisting of two hydro facilities. Innergex has a 50% ownership stake in Energía Llaima.

The purchase price, net of an estimated US\$10 million (C\$12.8 million) of cash, is approximately US\$210 million (C\$268 million), subject to certain adjustments. A US\$130 million (C\$166.0 million) 15-year term financing has been arranged and underwritten by Itaú, a leading South American bank. The 15-year term is comprised of a bullet loan of US\$70 million (C\$85.9 million) and carries a variable interest rate for which the Corporation intends to reduce its exposure by entering into long-term hedging instruments. Proceeds of the loan will be used to pay a portion of the purchase price.

Energía Llaima’s net share of the remaining purchase price amounts to about US\$80 million (C\$102.2 million). Additionally, Energía Llaima made a deposit to secure financing of US\$10 million (C\$12.8 million). Both amounts will be paid through available funds under Innergex’s corporate revolving credit facilities. With these investments, and the US\$10 million (C\$12.8 million) invested in Energía Llaima at the time of the completion of the joint venture, Innergex’s commitment to invest US\$110 million (C\$140.5 million) in Energía Llaima over a 12-month period is almost reached.

The Duqueco hydro project consists of two hydro facilities commissioned in 2001, Peuchen (85 MW) and Mampil (55 MW), located on the Duqueco river, 60 km east of the city of Los Angeles, Chile. The Peuchen plant has a reservoir upstream with a 4-hour regulation at full capacity and up to 12-hour regulation at partial capacity, which also benefits Mampil. The aggregated average annual power generation is expected to reach over 350,000 MWh. Electricity produced by these hydro facilities is sold under power purchase agreements (PPAs) at fixed prices until 2020 and on the spot market. Adjusted EBITDA for the project should reach approximately US\$21 million (C\$26.8 million) annually.

“With this acquisition, we will leverage our expertise in managing hydro facilities. The reservoir attached to the facilities is a strategic asset in Chile,” said Michel Letellier, President and Chief Executive Officer of Innergex. “We now have four facilities in Chile and we look forward to growing Energía Llaima and increasing our presence in the South American market by developing and acquiring other renewable energy facilities.”

“We are pleased to pursue our development with this significant acquisition which adds 140 MW to our portfolio of assets,” said Ian Nelson, Chief Executive Officer of Energía Llaima. “This acquisition and our partnership with Innergex will allow us to perfect our knowledge in managing large hydro facility which will benefit our advanced stage development projects.”

About Innergex Renewable Energy Inc.

The Corporation develops, acquires, owns and operates hydroelectric facilities, wind farms, solar photovoltaic 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.

About Energía Llaima

Energía Llaima's operational facilities include three hydro facilities and one solar thermal facility located in Chile. The 85 MW Peuchen and 55 MW Mampil hydro facilities are located on the Duqueco river, 60 km east of Los Angeles city. The aggregated average annual power generation averages over 350,000 MWh and the electricity produced is sold under power purchase agreements (PPAs) at fixed prices until 2020 and on the spot market. The company owns a majority interest in the 12 MW Energía Coyanco hydro facility which is located in the San José de Maipo district in the Metropolitan Region and produces an average of 75,000 MWh sold through various PPA's and on the spot market. Energía Llaima also has a majority interest in a 34 MW solar thermal facility in the Sierra Gorda district in the Atacama Region. This innovative facility, the second largest in the world, supplies approximately 54,000 MWh of heat energy to a large mining company which uses the energy in their electro-winning process. Energía Llaima's development portfolio includes two hydro projects in advanced stage of development, the 109 MW Central Frontera and the 16 MW Central El Canelo, as well as other early development stage projects.

Non-IFRS measures disclaimer.

Readers are cautioned that Adjusted EBITDA is not a measure recognized by IFRS and have 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 ("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 and projected Adjusted EBITDA, to inform readers of the potential financial impact of expected results, of the expected commissioning of Development Projects, 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 shareholder, 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 Innergex's 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.

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</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 hydroelectricity, the historically observed flows of the river, the operating head, the technology employed and the reserved aesthetic and ecological flows; for wind energy, the historical wind and meteorological conditions and turbine technology; for solar energy, the historical solar irradiation conditions, panel technology and expected solar panel degradation; and for geothermal power, the historical geothermal resources, natural depletion of geothermal resources over time, the technology used and the potential of energy loss to occur before delivery. 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 water, wind, sun and geothermal resources and associated electricity production</p> <p>Variability in hydrology, wind regimes, solar irradiation and geothermal resources</p> <p>Natural depletion of geothermal resources</p> <p>Equipment failure or unexpected operations and maintenance activity</p> <p>Natural disaster</p>
<p>Projected Adjusted EBITDA</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, royalties and cost of power (if applicable); these are predictable and relatively fixed, varying mainly with inflation (except for maintenance expenditures and cost of power).</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>

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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