



## **Innergex Renewable Energy Continues its Development as Planned**

**Longueuil, March 27, 2007 – Innergex Renewable Energy Inc.** (the “Corporation”), a developer of renewable power generating facilities, releases today its first annual financial results as a public company. The Corporation’s results benefit from the transactions completed concurrently with its initial public offering (“IPO”) on December 6, 2007. The Corporation owns a portfolio of green power projects which are at different stages of development.

### **Important Transactions**

Prior to its IPO, the Corporation provided management services to Innergex Power Income Fund (the “Fund”) and to Innergex II Income Fund (“Innergex II”), and owned a 15% equity interest in Innergex II. On December 6, 2007, the Corporation successfully issued 10,455,000 common shares for gross proceeds of \$115 million to acquire the equity interest it did not already own in Innergex II. The Corporation now owns one operating hydroelectric facility (8 MW), interests in nine development projects with power purchase agreements under construction or to be constructed between 2008 and 2012 (gross expected capacity of 565 MW), and prospective projects (gross expected capacity of more than 1,600 MW). The Corporation also owns 16.1% of the outstanding units of the Fund, which were issued to Innergex II following the sale of two wind farms to the Fund. The Fund owns interests in 10 hydroelectric facilities and two wind farms having an aggregate installed capacity of 340 MW.

These transactions explain the significant difference in the Corporation’s 2007 results as compared to 2006 results when the Corporation did not own any power generating facility, projects under development or units of the Fund.

### **Financial Results**

For the year ended December 31, 2007, the Corporation reported revenues of \$8.0 million compared to revenues of \$6.2 million in 2006, mainly due to the Corporation’s share of the Fund’s net earnings for the last 26 days of 2007 which provided additional revenues of \$1.8 million. The Fund’s net earnings for the fourth quarter ended December 31, 2007 included a non-recurrent future income tax recovery of \$6.7 million which positively affected the Fund’s net earnings and therefore the Corporation’s share of the Fund’s net earnings. As such, this amount will be significantly lower in the years to come and should not be extrapolated over a full year. For the year ended December 31, 2007, expenses, made up mostly of general and administration expenses, totalled \$6.4 million compared to \$5.8 million during the year 2006. This increase in expenses is mainly due to a greater number of projects under management or under development which required the hiring of additional employees.

For the year ended December 31, 2007, the Corporation posted net earnings and comprehensive earnings of \$5.5 million (basic and diluted \$1.64 per share). For the corresponding period in 2006, the net earnings and comprehensive earnings totalled \$0.2 million (basic and diluted \$0.13 per share). This difference can mainly be explained by the receipt of a \$4.3 million distribution from Innergex II related to capital gains earned following the sale of projects concurrently or prior to the IPO, and by the exceptionally high Corporation’s share of the Fund’s net earnings in the amount of \$1.8 million. Without accounting for these two items, the Corporation would have recorded a loss of \$0.6 million (basic and diluted loss of \$0.18 per share) in 2007.

### **Update on Projects under Construction**

As at December 31, 2007, the projects under construction were: i) the 23 MW Umbata Falls hydroelectric project located in Ontario; ii) the 109.5 MW Carleton wind farm located in Quebec, and iii) the 49.9 MW Ashlu Creek hydroelectric project located in British Columbia. From the date of closing of the IPO to December 31, 2007, a period of 26 days, the construction of these projects continued as planned. The commercial in-service dates for the Umbata Falls project, the Carleton wind energy project and the Ashlu Creek project are expected to be in the third and fourth quarters of 2008, and in 2009 respectively.

### **Update on Prospective Projects**

The Corporation has prospective wind and hydroelectric projects with an aggregate total potential installed capacity of more than 1,600 MW.

The Roussillon, Kamouraska and Massif-du-Sud wind energy projects have been submitted into Hydro-Québec Distribution's Request for Proposals ("RFP") for 2,000 MW of wind energy, which closed on September 18, 2007. The Corporation expects that the name of the winners will be announced in May 2008 by Hydro-Québec Distribution.

The Corporation intends to submit the Kokish and Kaipit hydroelectric projects to the Standard Offer Program currently being developed by the British Columbia Hydro and Power Authority ("BC Hydro") for small renewable power generation facilities with a nameplate capacity of less than 10 MW. The Standard Offer Program is currently being reviewed by the BC Utilities Commission. The Corporation expects that the Standard Offer Program will become effective in the fall of 2008.

The Corporation is presently reviewing the possibility to submit some of its portfolio of wind projects in British Columbia into the upcoming BC Hydro Call for Clean Power or future RFPs.

"Since 1990, the management team at Innergex kept a steady growth over the years and successfully secured power purchase agreements for nearly 900 MW of renewable energy projects. The Corporation is now listed on the TSX and our vision of managing and developing renewable energy facilities has not changed. We believe our capacity to grow is now improved with the access to public capital. We are now aiming to share our future growth with our new shareholders", remarked Mr. Michel Letellier, President and CEO of Innergex Renewable Energy Inc.

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**Innergex Renewable Energy Inc.** (the "Corporation") is a developer, owner and operator of hydroelectric facilities and wind energy projects in North America. The Corporation's management team has been involved in the renewable power industry since 1990. The Corporation owns a portfolio of projects which consists of one operating facility (8 MW), interests in nine development projects with power purchase agreements under construction or to be constructed between 2008 and 2012 (gross expected capacity of 565 MW), and prospective projects (gross expected capacity of more than 1,600 MW). Innergex Renewable Energy Inc. also owns 16.1% of Innergex Power Income Fund trust units, a publicly traded income fund listed on the Toronto Stock Exchange (IEF.UN), and acts as its manager under long-term management agreements.

### ***Forward-looking statements***

*Investors should note that some statements in this press release are forward-looking and may not give full weight to all potential risks and uncertainties. Forward-looking statements are, by their nature, subject to risks and uncertainties, and actual results, actions or events could materially differ from those set forth in the forward-looking statements. All forward-looking statements are only valid as of the date they were made. The Corporation does not undertake to update forward-looking statements except in accordance with applicable laws.*

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