



PRESS RELEASE

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Innergex Renewable Energy Inc. Announces Bought Deal Financing of Extendible Convertible Unsecured Subordinated Debentures

LONGUEUIL, QC, Feb. 12, 2010 – Innergex Renewable Energy Inc. (TSX: “INE”) (“Innergex” or the “Company”) has announced today that it has entered into an agreement with a syndicate of underwriters led by BMO Capital Markets and TD Securities Inc., pursuant to which the underwriters have agreed to purchase, on a bought deal basis, extendible convertible unsecured subordinated debentures in the aggregate principal amount of \$70 million (the “Debentures”). The Debentures will have an initial maturity date of April 30, 2010 which will automatically be extended to April 30, 2017 upon the closing of the Company’s previously announced strategic combination with Innergex Power Income Fund (the “Combination”).

The Debentures will bear interest at a rate of 5.75% per annum, payable semi-annually, and will be convertible at the option of the holder into common shares (“Common Shares”) of the Company at a conversion rate of 93.8967 Common Shares per \$1,000 principal amount of Debentures, which is equal to a conversion price of \$10.65 per Common Share. The Company has granted the underwriters an option, for a period of 30 days following the closing of the offering, to purchase up to an additional 15% of the principal amount of Debentures purchased to cover over-allotments, if any. Closing is expected to occur on or about March 8, 2010 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the Toronto Stock Exchange.

The Company intends to use the net proceeds of the offering to enhance the financial flexibility of Innergex in the context of the Combination, reduce existing indebtedness and for general corporate purposes.

The Debentures have not been and will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirement of such Act. This news release is not an offer of securities for sale in the United States.

About the Combination

Upon completion of the proposed Combination between Innergex and Innergex Power Income Fund (the “Fund”) announced on February 1, 2010, Innergex will own a portfolio of projects which consists of: (i) interests in 17 operating facilities with an aggregate net installed capacity of 326 MW, (ii) interests in four projects under development with power purchase agreements with an expected aggregate net installed capacity of 128 MW; and (iii) prospective projects of more than 1,600 MW. Special meetings for both the Fund and Innergex will be held on March 24, 2010 at which the securityholders will be asked to vote in favour of the proposed Combination. Assuming that all required approvals are obtained, the Combination is expected to become effective on March 29, 2010.

About Innergex

Innergex Renewable Energy Inc. is a leading developer, owner and operator of run-of-river hydroelectric facilities and wind energy projects in North America. The Company’s management team has been involved in the renewable power industry since 1990. The Company owns a portfolio of projects which consists of: i) interests in five operating facilities with an aggregate net installed capacity of 116 MW (gross 198 MW); ii) interests and four projects under development with an aggregate net installed capacity of 128 MW (gross 320 MW); and iii) prospective projects of more than 1,600 MW (gross

expected capacity of more than 1,800 MW). Innergex Renewable Energy Inc. also owns 16.1% of the Innergex Power Income Fund, a publicly traded income fund listed on the Toronto Stock Exchange under the symbol "IEF.UN", and acts as its manager under long-term management agreements.

About the Fund

Innergex Power Income Fund is an open-ended income trust that indirectly owns interests in 10 hydroelectric power-generating facilities and two wind farms. The Fund's installed capacity is 340 MW (net interest of 210 MW). Approximately 27% of total annual production comes from wind energy. The Fund's units are traded on the Toronto Stock Exchange under the symbol IEF.UN. The hydroelectric facilities and wind farms are managed by Innergex, under long-term agreements with the Fund.

Forward-looking statements

This press release contains forward-looking information within the meaning of applicable securities laws. Forward-looking information can generally be identified by the use of words and phrases, such as "may", "will", "estimate", "anticipate", "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "forecasts", "intends" or "believes", or variations of such words and phrases that state that certain events will occur. The forward-looking information is based on certain key expectations and assumptions made by Innergex. Although Innergex believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Innergex can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves 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 completion of the Combination and the issuance of the Debentures and the risks associated with the renewable energy industry in general such as execution of strategy, capital resources, derivative financial instruments, current economic and financial crisis, hydrology and wind regime, construction and design, development of new facilities, project performance, equipment failure, interest rate and refinancing risk, financial leverage and restrictive covenants, and relationship with public utilities. There are also inherent risks in the nature of the Combination, including incorrect assessments of the value of the other entity; and failure to obtain the requisite securityholder, court, regulatory and other third party approvals. 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 forms filed with applicable Canadian securities regulators and may be accessed through the SEDAR website (www.sedar.com). The forward-looking information contained in this press release is made as of the date hereof and Innergex undertake no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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