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## News Release For Immediate Distribution

### INNERGEX ACQUIRES TWO OPERATING HYDRO FACILITIES IN BRITISH COLUMBIA

- **Installed capacity of sites in operation increases by 8% to 534 MW net (920 MW gross)**
- **Expected net average annual production increases by 8% to 2,023 MWh**
- **Cash flow-generating installations increase from 26 to 28**
- **Accretive to free cash flow per share over the long term**
- **Attractive assets that are held in perpetuity**
- **Opportunity to consolidate relationships with local and First Nations stakeholders**

**LONGUEUIL, Quebec, June 14, 2012** – Innergex Renewable Energy Inc. (TSX: INE) (“Innergex” or the “Corporation”) announces it has signed a purchase and sale agreement to acquire from Capital Power Corp. (TSX: CPX) all of the units of the entity owning the Brown Lake and Miller Creek hydroelectric facilities located in British Columbia, Canada.

The purchase price of these assets is approximately \$69.2 million. The acquisition of the Miller Creek facility is conditional upon a 30-day right of first refusal in favour of BC Hydro. There is no assumption of any project level debt on these assets. Innergex expects the transaction to close in July 2012, subject to regulatory approvals and other customary closing conditions.

“British Columbia has become a major growth pole for Innergex in recent years. We expect the demand for power to increase significantly in BC, given its strengthening economy and ambitious development projects” states Michel Letellier, President and Chief Executive Officer of Innergex. “With this acquisition, we continue to execute our business plan of maintaining a balance between cash flow-generating assets in operation, projects under development, and a portfolio of prospective projects. Our proven expertise in run-of-river hydroelectricity will allow us to maximize the operating efficiencies and profitability of these assets. In addition, land and water licenses for these facilities are virtually perpetual, which corresponds to our very long-term strategic outlook for the Corporation. Furthermore, we are pleased to consolidate our presence in the Pemberton region and we look forward to strengthening our relations with local stakeholders in what has become a strategic area of development for the Corporation”, adds Mr. Letellier.

#### ***Description of the assets to be acquired***

**Brown Lake** is a 7.2 MW facility commissioned in 1996 and located on Crown land near Prince Rupert in the North Coast region of the province. All of the electricity it produces is sold to BC Hydro under a 20-year power purchase agreement that expires in 2016. The contract price is subject to a 3% escalator each year. The Corporation believes it will be successful in securing a subsequent power purchase agreement under attractive terms, given the strong and growing demand for electricity in the Kitimat area. This facility has an average annual production of 51,800 MWh, representing revenues of approximately \$3.6 million for the current year. Because it is fed by two lakes, Brown Lake has historically exhibited relatively stable production levels throughout the year and could offer some storage capabilities, which Innergex believes would allow it to modulate production to accommodate fluctuations in BC Hydro’s power requirements. Furthermore, Innergex has identified the potential to double the plant’s installed capacity to 14.4 MW and increase expected average annual production by 27,000 MWh; such expansion would require capital expenditures of approximately \$20.0 million, and Mr. Letellier notes that “we look forward to undertaking the expansion of the Brown Lake facility in consultation with the local and First Nation communities”.

**Miller Creek** is a 33 MW facility commissioned in 2003 and located on Crown land near Pemberton, in the Lower Mainland region of the province. All of the electricity it produces is sold to BC Hydro under a 20-year power purchase agreement that expires in 2023, with BC Hydro holding two consecutive five-year renewal options. The price received is based on a formula using the Dow Jones Mid-C pricing indices. Mr. Letellier explains that “we are buying this asset at a time when spot prices are at record lows and this has been reflected in our financial model. We also believe this facility will offer additional upside potential as electricity spot prices firm up over time. In the meantime, we will create a reserve account of \$6.0 million to help offset short-term fluctuations in the Mid-C spot prices.” Miller Creek has an average annual production of 97,900 MWh, representing revenues of approximately \$2.0 million for the current year. The Corporation also plans to undertake an \$8.5 million capital expenditure program to upgrade the penstock and water intake, which should increase the plant’s expected average annual production to 102,795 MWh and reduce operating costs. Overall, the Corporation’s exposure to Mid-C spot prices is expected to remain limited, representing less than 5% of expected net annual power production.

### **Financing of the acquisition**

To finance the purchase price and associated transaction costs of this acquisition, Innergex intends to access capital markets to raise new capital, in addition to using its cash on hand and drawdowns on its revolving term credit facility. However, the outcome of the right of first refusal on the Miller Creek facility in favour of BC Hydro will influence both the size and the timing of the acquisition and the related financing.

**Forward-Looking Information:** This press release contains forward-looking information within the meaning of securities legislation. All information and statements other than statements of historical facts contained in this press release are forward-looking information. Such statements and information may be identified by looking for words such as “about”, “approximately”, “may”, “believes”, “expects”, “will”, “intend”, “should”, “plan”, “predict”, “potential”, “project”, “anticipate”, “estimate”, “continue” or similar words or the negative thereof or other comparable terminology. Such forward-looking information includes, without limitation, statements with respect to, the anticipated closing of the transaction, the benefits which may accrue to Innergex and its shareholders as a result of the acquisition, power generation, growth prospects, power purchase agreement renewal, business strategy and plans and objectives of or involving Innergex.

The forward-looking information includes forward-looking financial information or financial outlook, such as the current year projected revenues, to inform investors of the potential financial impact of the acquisition on the Corporation's results. Such information may not be appropriate for other purposes.

The forward-looking information is based on certain key expectations and assumptions made by Innergex as of the date of this press release, including expectations and assumptions concerning satisfaction of all conditions of closing, availability of capital resources and performance of operating facilities, estimates, forecasts and opinions of the Corporation. 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 since no assurance can be given that they will prove to be correct. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to failure to close the acquisition, the exercise by BC Hydro of its right of first refusal over the Miller Creek Facility, potential undisclosed liabilities associated with the acquisition, failure to realize the benefits of the acquisition (including cost synergies and operational efficiencies), energy generation, mid-C spot price fluctuations, power purchase agreement renewal, possibility to secure the proposed expansions of the facilities, equipment failure, performance of third-party suppliers and other risks generally attributable to the business of Innergex. For additional information with respect to risks and uncertainties, refer to the Annual Information Form of Innergex filed on SEDAR's website at [www.sedar.com](http://www.sedar.com). The forward-looking information contained herein is made as of the date of this press release and 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 hereof, unless required by legislation.

**Innergex Renewable Energy Inc.** (TSX: INE) is a leading Canadian independent renewable power producer. Active since 1990, the Company develops, owns, and operates run-of-river hydroelectric facilities, wind farms, and solar photovoltaic farms and carries out its operations in Quebec, Ontario, British Columbia, and Idaho, USA. Its portfolio of assets currently consists of: (i) interests in 26 operating facilities with an aggregate net installed capacity of 494 MW (gross 880 MW), including 20 hydroelectric operating facilities, five wind farms, and one solar photovoltaic farm; (ii) interests in 9 projects under development or under construction with an aggregate net installed capacity of 231 MW (gross 374 MW), for which power purchase agreements have been secured; and (iii) prospective projects with an aggregate net capacity totaling 2,844 MW (gross 2,977 MW). Innergex Renewable Energy Inc. is rated BBB- by S&P and BBB (low) by DBRS.

The Corporation's strategy for building shareholder value is to develop or acquire high-quality facilities generating sustainable cash flows and providing a high return on invested capital, and to distribute a stable dividend.

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