



Press release
For immediate distribution

Innergex Renewable Energy 2009 Q4 and Annual Results

- Annual revenues increase more than fourfold
 - Umbata Falls (23 MW) and Carleton (109.5 MW) first full-year contribution to revenues
 - Ashlu Creek (49.9 MW) starts operation in Q4 2009
- Fitzsimmons Creek (7.5 MW) construction completed under budget and ahead of schedule
- Net production capacity increases from 95 MW to 150 MW
- Strategic combination proposed with Innergex Power Income Fund
- Issuance of \$80.5 million extendible convertible unsecured subordinated debentures
- Three projects selected by BC Hydro for PPA award

LONGUEUIL, Québec, March 22, 2010 – Innergex Renewable Energy Inc. (TSX: INE) (the “Corporation” or “Innergex”) releases today its operating and financial results for the fourth quarter and the year ended December 31, 2009.

For the periods ended December 31	Three-month		Twelve-month	
	2009	2008	2009	2008
Production (MW-hr)	81,996	35,312	254,656	68,118
Long-term average (MW-hr)	79,049	39,350	236,582	69,215
Revenues	\$ 8.0 M	\$ 0.8 M	\$ 25.6 M	\$ 5.9 M
EBITDA	\$ 4.6 M	\$ (2.8) M	\$ 14.3 M	\$ (5.1) M
Net loss	\$ (19.1) M	\$ (30.1) M	\$ (15.3) M	\$ (35.8) M
Net loss per share	\$ (0.81)	\$ (1.28)	\$ (0.65)	\$ (1.52)

The significant increase in revenues and EBITDA, both for the quarter and the year ended December 31, 2009, largely results from an important increase in power production. This is mainly due to the contribution of the Umbata Falls hydroelectric facility and the Carleton wind farm for a full year, as both facilities started commercial operation in November 2008. The Ashlu Creek hydroelectric facility, which started commercial operation on November 29, 2009, also contributed to this increase.

For the year ended December 31, 2009, Innergex recorded a net loss of \$15.3 million (\$0.65 per share). The net loss is mainly due to higher impairment of goodwill (\$22.5 million in 2009). The impairment of goodwill resulted in an adjustment to the shareholder’s equity book value to \$7.80 per share. This impairment had already been taken into account during the negotiation of the proposed strategic combination with Innergex Power Income Fund (the “Fund”).

As Michel Letellier, President and Chief Executive Officer of the Corporation, explains: “Innergex reached important milestones in 2009 and reported a substantial increase in revenues. With the first full-year contribution of two additional operating facilities and completion of projects under construction, Innergex’s results are in line with its growth objectives. The proposed strategic combination with the Fund will further improve Innergex’s growth capability and financial strength while offering a significant dividend to its shareholders.”

During the fourth quarter and year ended December 31, 2009, power production was respectively 4% and 8% above the expected long-term average, mainly due to better than expected hydrology conditions.

Installed capacity increased by 58 % with the addition of two new hydro facilities

The Ashlu Creek hydro facility (49.9 MW) and the Fitzsimmons Creek hydro facility (7.5 MW) started commercial operation respectively on November 29, 2009, and on January 26, 2010, increasing Innergex's portfolio of power generating facilities from 95 MW to 150 MW. This represents an increase of 58% when compared to 2008.

Construction of the Fitzsimmons Creek facility began in July 2008 and was completed in January 2010, approximately 10 months ahead of schedule and under budget.

Projects under development

Montagne-Sèche and Gros-Morne – Phase I and II

Innergex is currently in the process of securing the debt financing for these three wind projects. Construction is expected to begin as soon as an agreement is reached. Innergex expects Montagne-Sèche and Gros Morne – Phase I projects to be completed by December 2011 and Gros Morne – Phase II to be completed by December 2012.

Kwoiek Creek

Construction of the 49.9 MW (25 MW net) Kwoiek Creek hydroelectric project is expected to commence immediately upon completion of the ongoing permitting phase and after securing the debt financing. Project construction is expected to begin in 2010 and to be completed in 2012.

Ontario FIT Program

On November 30, 2009, Innergex submitted several wind farm projects into the Ontario's *Feed-In-Tariff Program* ("FIT Program"). Depending on the implementation of transmission line expansion, the Corporation is confident these applications may eventually be selected for the award of FIT contracts.

Outlook for 2010

In Québec, Innergex is currently in discussions with local communities to submit wind projects under *Québec's 250 MW Community Wind RFP* issued in 2009. The Corporation intends to submit projects representing a total of at least 100 MW. Proposals have to be submitted in May 2010 and awards should be announced before the end of 2010.

Subsequent events

Strategic Combination

On February 1, 2010, Innergex and the Fund jointly announced that they had entered into a definitive agreement to undertake a strategic combination of the two entities. Finalization of this transaction ("the Combination") will result in the Fund's acquisition of Innergex through a reverse takeover, thus also effecting conversion of the Fund into a corporation.

Under the terms of this Combination, the Fund's unitholders will exchange their units for shares of Innergex, on the basis of an exchange ratio of 1.46 shares per Fund unit. Upon completion of this Combination, current Fund unitholders (except Innergex, which holds a 16.1% interest in the Fund) will own 61% of the combined entity. Current Innergex shareholders will hold the remaining 39% interest.

Finalization of the Combination is subject to the requisite Fund unitholder and Innergex shareholder approvals, as well as to other customary conditions. Fund unitholders and Innergex shareholders have received the joint information

circular, filed on February 18, 2010, regarding Special Meetings scheduled for March 24, 2010. The Combination is expected to close on March 29, 2010.

Upon completion of the Combination, Innergex intends to adopt a dividend policy of \$0.58 per share per annum, payable on a quarterly basis (equivalent to \$0.85 per Fund unit, based on an exchange ratio of 1.46 shares per Fund unit).

Convertible Unsecured Subordinated Debentures

On March 8, 2010, Innergex announced that it had closed the issuance of extendible convertible unsecured subordinated debentures in the aggregate principal amount of \$70 million. On March 16, 2010, the over-allotment option was exercised by the syndicate of underwriters to purchase an additional \$10.5 million principal amount, bringing the aggregate gross proceeds of the offering to \$80.5 million. The debentures have an initial maturity date of April 30, 2010, which will automatically be extended to April 30, 2017 upon the closing of the Combination of Innergex and the Fund. The debentures bear interest at a rate of 5.75% per annum, payable semi-annually, and are convertible at the option of the holder into common shares of Innergex 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 offering enhances the financial flexibility of Innergex and most of the net proceeds will be applied towards reduction of existing indebtedness.

Three new projects under development in British Columbia

On March 11, 2010, Innergex announced it had been selected by the *British Columbia Hydro and Power Authority* ("BC Hydro") to enter into Power Purchase Agreements ("PPA") for three run-of-river hydro projects submitted in BC Hydro's 2008 Clean Power Call. The three projects have a total expected installed capacity of 113 MW. The PPAs are subject to the approval of the *British Columbia Utilities Commission*. Innergex owns a 66²/₃% ownership interest in the projects, while the remaining 33¹/₃% interest is held by its partner, Leducor Power Group Ltd.

Innergex Renewable Energy Inc. is a leading developer, owner and operator of run-of-river hydroelectric facilities and wind energy projects in North America. Innergex management team has been involved in the renewable power industry since 1990. Innergex 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) and interests in four projects under development with an aggregate net installed capacity of 128 MW (gross 320 MW), for which power purchase agreements with public utilities have been secured; and (iii) prospective projects of over 1,600 MW (gross expected capacity of more than 1,800 MW). Innergex also owns 16.1% of Innergex Power Income Fund and acts as its manager under long-term management agreements.

The Corporation's audited consolidated financial statements and the management's discussion and analysis, can be downloaded from the Innergex website at www.innergex.com and from the SEDAR website at www.sedar.com.

NON-GAAP MEASURES

Some indicators referred to in this press release are not recognized measures under Canadian GAAP, and therefore may not be comparable to those presented by other issuers. The Corporation believes that these indicators are important, as they provide management and the reader with additional information about its production and cash generation capabilities and facilitate the comparison of results over different periods.

FORWARD-LOOKING INFORMATION

In order to inform shareholders of the Corporation as well as potential investors on future prospects of the Corporation, sections of this news release may contain forward-looking statements within the meaning of securities legislation ("Forward-looking Statements"). Forward-looking Statements 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. Forward-looking Statements represent, as of the date of this news release, the estimates, forecasts, projections, expectations or opinions of the Corporation relating to future events or results. Forward-looking Statements involve known and unknown risks, uncertainties and other important factors which may cause the actual results or performance to be materially different from any future results or performance expressed or implied by the Forward-looking Statements. The material risks and uncertainties which may cause the actual results and developments to be materially different from the current expressed expectations in this news release include: (i) execution of strategy, (ii) capital resources, (iii) derivative financial instruments, (iv) current economic and financial crisis, (v) hydrology and wind regime, (vi) investment in the Fund, (vii) construction and design, (viii) development of new facilities, (ix) project performance, (x) equipment failure, (xi) interest rate and refinancing risk, (xii) financial leverage and restrictive covenants, (xiii) separation agreement and (xiv) relationship with public utilities. Although the Corporation believes that the expectations instigated by the Forward-looking Statements are based on reasonable and valid hypotheses, there is a risk that the Forward-looking Statements may be incorrect. The reader is cautioned not to rely unduly on these Forward-looking Statements. The Forward-looking Statements expressed verbally or in writing, by the Corporation or by a person acting on its behalf, are expressly qualified by this cautionary statement. The Corporation does not undertake any obligation to update or revise any Forward-looking Statements, whether as a result of events or circumstances occurring after the date hereof, unless required by legislation.

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