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Press Release
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INNERGEX 2010 Q4 AND ANNUAL RESULTS

- Operating revenues considerably increase following the strategic Combination
 - Quarterly operating revenues almost doubled year over year to \$26 million
 - Annual operating revenues up 52% to \$89 million
- 58.5 MW Québec wind farm non-recourse project financing is completed
- Construction starts at 50 MW Kwoiek Creek hydroelectric project in B.C.
- PPA awarded for a new 24.6 MW wind farm project in Québec

Longueuil, Quebec – (March 23, 2011) – Innergex Renewable Energy Inc. (TSX: INE) (“Innergex” or the “Corporation”) releases today its operating and financial results for the fourth quarter of 2010 and for the year ended December 31, 2010.

Michel Letellier, President and Chief Executive Officer of Innergex, sees 2010 as a pivotal year in Innergex’s history: “2010 has marked the combination of Innergex Power Income Fund with Innergex, resulting in a stronger company that combines stable revenues from new operating assets with long term power purchase agreements (“PPA”) and the growth profile that comes from an important pipeline of development projects with PPA and prospective projects. We are excited to think about the new opportunities this creates, due to a reduced cost of capital and an overall more flexible financial structure”.

Operating results

Highlights <i>(in thousands of Canadian dollars except as noted and amounts per share)</i>	For the three-month period ended Dec. 31, 2010	For the three-month period ended Dec. 31, 2009	For the year ended Dec. 31, 2010 ¹	For the year ended Dec. 31, 2009
	\$	\$	\$	\$
Power generated (MW-hr)	343,754	189,011	1,227,435	823,989
Long-term average (MW-hr)	325,237	201,911	1,269,135	834,768
Gross operating revenues	26,009	13,184	89,100	58,625
EBITDA	18,869	10,214	68,098	46,778
Net earnings (loss)	14,268	7,038	(3,659)	26,243
Net earnings (loss) (\$ per share - basic)	0.21	0.16	(0.09)	0.61
Net earnings (loss) (\$ per share - diluted)	0.21	0.16	(0.09)	0.61
Adjusted net earnings	1,536	2,744	10,777	12,685
Adjusted cash flows from operating activities	13,157	7,209	49,110	32,889

1. In accordance with Canadian GAAP, the power generated and the results for the year ended December 31, 2010, are those of the Fund including Innergex’s contribution since March 30, 2010.

Quarterly results

For the fourth quarter of 2010, gross operating revenues from operating activities and EBITDA were higher than for the same period in 2009. This increase is due to \$9.6 million in additional revenues resulting from the reverse takeover of Innergex by Innergex Power Income Fund (the “Fund”) (the “Combination”), and higher revenues from the pre-Combination assets of the Fund (positive impact of \$3.2 million). Innergex’s power production from operating facilities was significantly higher when compared to the same period in 2009, and 6% more than the estimated long-term average production.

For the fourth quarter of 2010, net earnings posted by Innergex doubled when compared with the corresponding period in 2009. This variation is attributable mainly to the increase in EBITDA and to a \$10.7 million positive variation in the fair market value of derivative financial instruments, partially offset by a \$3.7 million increase in interests, a \$3.2 million increase in depreciation and amortization and a \$5.1 million variation in income tax provisions.

Annual results

For the year ended December 31, 2010, gross operating revenues and EBITDA were higher than for 2009. This increase is due to additional revenues resulting from the combination (\$29.3 million), which have been included as of March 30, 2010 and higher revenues from the pre-combination assets of the Fund (positive impact of \$1.2 million). For the year ended December 31, 2010, Innergex's power production was higher than for the 2009 and 3% less than the long-term average.

For the last year, Innergex recorded a net loss, compared to net earnings in 2009. This is mainly due to a \$20.8 million unrealized net loss on derivative financial instruments (net gain of \$15.8 million in 2009), resulting from the general decrease in long-term benchmark interest rates in 2010, which more than offsets the increase in EBITDA.

Adjusted Net Earnings

Adjusted Net Earnings (in thousands of Canadian dollars except as noted and amounts per share)	For the three-month period ended Dec. 31, 2010	For the three-month period ended Dec. 31, 2009	For the year ended Dec. 31, 2010	For the year ended Dec. 31, 2009
	\$	\$	\$	\$
Net earnings (loss)	14,268	7,038	(3,659)	26,243
Add (deduct):				
Non-cash expense related to royalty agreement	-	-	983	-
Unrealized net (gain) loss on derivative financial instruments	(15,479)	(4,820)	20,761	(15,798)
Unrealized foreign exchange gain	(17)	(22)	(23)	(320)
Decrease in future income tax rates	(1,342)	(429)	(1,342)	(429)
Future income taxes associated with unrealized gains or losses	4,106	977	(5,943)	2,989
Adjusted net earnings	1,536	2,744	10,777	12,685

For the fourth quarter ending December 31, 2010, adjusted net earnings decreased when compared to 2009. This variation is due to increases in revenues and EBITDA, which were more than offset by higher interests on long-term debt and convertible debentures, an increase in depreciation and amortization and a lower tax rate in 2009, as the Fund was not taxable. All of these increases are due to the Combination.

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Adjusted cash flows from operating activities and dividends

Adjusted Cash Flows from Operating Activities (in thousands of Canadian dollars except as noted and amounts per share)	For the three-month period ended Dec. 31, 2010	For the three-month period ended Dec. 31, 2009	For the year ended Dec. 31, 2010	For the year ended Dec. 31, 2009
	\$	\$	\$	\$
Cash flows from operating activities	10,861	4,842	23,356	34,946
Change in non-cash working capital items	2,362	2,413	25,712	(1,542)
Net withdrawals from (investments in) the reserve accounts (not funded from long-term debt)	(66)	(46)	42	(515)
Adjusted cash flows from operating activities	13,157	7,209	49,110	32,889
Dividends declared on Series A Preferred Shares	1,520	-	1,520	-
Dividends declared on common shares	8,632	7,352	33,323	29,404
Weighted average number of common shares outstanding	59,533	42,930	55,530	42,930
Dividends declared on common shares (\$ per share)	0.145	0.171	0.607	0.685

For the fourth quarter of 2010, the increase in Innergex's adjusted cash flows from operating activities was mainly due to the Combination, which explains the \$8.7 million increase in EBITDA, partially offset by a \$3.7 million increase in interests.

For the year ended December 31, 2010, the increase in adjusted cash flows from operating activities is due mainly to the Combination. This resulted in a \$21.3 million increase in EBITDA combined with a \$2.6 million positive variation in current income taxes, partially offset by a \$10.0 million increase in interests.

Projects under construction

Montagne-Sèche and Gros-Morne Phase I and Phase II under construction

Innergex launched construction at the Montagne-Sèche and the Gros-Morne phase I and phase II wind farms in the second quarter of 2010. As at December 31, 2010, at Montagne-Sèche, more than half of the roads were built, the substation was completed at 50% and 12 out of the 39 foundations were completed. At the Gros-Morne Phase I and Phase II sites, more than 65% of roads were built, the substation was completed at 53% and 32 out of the 67 foundations planned for Phase I were completed. As scheduled, construction activities have been halted for the winter period, and will resume in the spring of 2011.

Innergex expects the Montagne-Sèche and the Gros-Morne Phase I projects to be completed by December 1, 2011, and the Gros-Morne Phase II by December 1, 2012. The three projects are on time and on budget.

Construction starts at Kwoiek Creek

In December 2010, Innergex issued a limited notice to proceed to the EPC Contractor, thereby launching the construction phase of the 50 MW Kwoiek Creek hydroelectric project. Construction of this facility is expected to be completed in 2013.

Innergex is awarded a PPA for a new wind farm project

In December 2010, Hydro-Québec announced that the Innergex's Viger-Denonville Prospective Project had been selected for a PPA award. The PPA was subsequently executed on March 17, 2011 and will now be submitted to the Régie de l'énergie for approval. Current activities are focused around applications for obtaining the relevant permits and further technical analysis for the preliminary engineering. Innergex expects the 24.6 MW wind farm to start commercial operation on December 1, 2013. Innergex owns 50% of the project with the Rivière-du-Loup MRC owning the other 50%.

Dividend Declaration

Innergex declares a dividend of \$0.3125 per Series A preferred share payable on April 15, 2011, to preferred shareholders of record at the close of business on March 31, 2011.

Innergex declares a dividend of \$0.145, per common share payable on April 15, 2011, to common shareholders of record at the close of business on March 31, 2011.

IFRS Extension Granted to Issuers for their First Interim Financial Report of 2011

The Canadian Securities Administrators have granted a 30 day extension to issuers for the filing of their first interim financial report to be filed in the year of adopting IFRS in order to provide management and the board of directors with more time to review and approve the first IFRS filing. Innergex will be releasing its results on June 7, 2011.

Subsequent events

Acquisition of Cloudworks Energy Inc.

On February 14, 2011, Innergex announced that it had entered into a definitive agreement with the shareholders of Cloudworks Energy Inc. ("Cloudworks") to acquire all of the issued and outstanding shares of Cloudworks. Cloudworks will be purchased for an aggregate consideration of \$185 million, approximately \$ 145.7 million of which will be payable in cash and approximately \$39.3 million of which will be payable by the issuance, by way of private placement, of common shares of Innergex at a price of \$9.75 per common share. Expected to close on or before March 31, 2011, the acquisition has been unanimously approved by the Board of Directors of Innergex and is subject

to regulatory approvals and other customary closing conditions. The outside date which provides that either Innergex or Cloudworks can terminate the share purchase agreement has been extended to April 8, 2011 by both parties.

\$166 Million Equity Offering

Innergex announced the issuance of 17,750,000 subscription receipts at \$9.35 per subscription receipt for aggregate gross proceeds of approximately \$166 million, including an over-allotment option exercised in full by a syndicate of underwriters. (TSX: INE.R.). Net proceeds of the offering will be used to finance the cash portion of the purchase consideration for the acquisition of Cloudworks, to pay transaction expenses and for general corporate purposes. Proceeds from the subscription receipts issuance are held in escrow pending the completion of the Cloudworks acquisition, expected to close on or before March 31, 2011.

Solar Applications under the FIT Program in Ontario

Since the beginning of 2011, Innergex has submitted two applications under the Feed-In Tariff Program ("FIT Program") for solar photovoltaic projects in Ontario for a total of 20.0 MW. These latest applications bring Innergex's total number of applications under the FIT Program for solar photovoltaic projects to four for a total capacity of 39.0 MW when combined with the two applications submitted during the fourth quarter of 2010.

BC Hydro SOP

On January 25, 2011, BC Hydro released its revised Standing Offer Program ("SOP") SOP. Among other things, BC Hydro has increased the project size upper limit (from 9.9 MW to 15.0 MW) and the price applicable to each region. Innergex is currently evaluating the impact of this announcement, as some of its Prospective Projects could be eligible under the program.

Conference Call

This release will be followed by a conference call to be held tomorrow, Thursday, March 24, 2011, at 10:00 a.m. ET. The Q4 and annual results will be presented by Mr. Michel Letellier, President and Chief Executive Officer of Innergex and by Jean Trudel, Vice President, Finance and Investor Relations. Investors and financial analysts are invited to access the conference call by dialling **1 (416) 644-3426** or **1 (800) 731-5319** or by accessing the website (www.innergex.com). Media and the public may access this conference call on a listen-only mode. A replay will be available after the call at **1 (877) 289-8525** (passcode **4425787#**) until March 31, 2011, at 11h59 pm ET.

Innergex Renewable Energy Inc. is a leading developer, owner and operator of run-of-river hydroelectric facilities and wind energy projects in North America, and a developer of solar photovoltaic installations. Innergex's management team has been involved in the renewable power industry since 1990. Innergex owns a portfolio of projects which, pro forma the completion of the Cloudworks, consists of: i) interests in 23 operating facilities with an aggregate net installed capacity of 401 MW; ii) interests in 10 projects under development or under construction with an aggregate net installed capacity of 279 MW for which power purchase agreements have been secured; and iii) prospective projects of over 2,800 MW (net).

Innergex'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. Innergex 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

This press 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 press release, the estimates, forecasts, projections, expectations or opinions of Innergex 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 those expressed, implied, or presented by the Forward-Looking Statements. The material risks and uncertainties that may cause the actual results and developments to be materially different from the current expressed expectations include the ability of Innergex to execute its corporate strategy; the inability to access sufficient capital from internal and external sources; liquidity risks related to derivative financial instruments; general economic conditions; availability of water flows and wind; delays in project development; uncertainty relating to the development of new power generating facilities; uncertainty relating to the amounts of power current or future operating facilities are able to generate; equipment failure; interest rate fluctuations and debt refinancing; contractual restrictions contained in instruments governing current and future indebtedness; penalties for events of default under certain power purchase agreements; the ability to retain qualified personnel and management; the performance of third-party suppliers; reliance on major customers; relationships with communities in which projects or facilities are located and joint venture partners; wind turbine supply; obtainment of permits; changes to governmental regulatory requirements and applicable governing statutes; obtaining new power purchase agreements; securing appropriate land for projects; reliance on power purchase agreements; reliance on transmission systems; water and land rental expenses; dam safety; health, safety and environmental risks; natural disasters; foreign exchange fluctuations and sufficiency of insurance coverage. Although Innergex believes that the expectations instigated by the Forward-Looking Statements are based on reasonable and valid assumptions, there is a risk that the Forward-Looking Statements may be incorrect. The reader of this press release is cautioned not to rely unduly on these Forward-Looking Statements. Forward-Looking Statements expressed verbally or in writing by Innergex or by a person acting on its behalf, are expressly qualified by this cautionary statement. The Forward-Looking Statements contained herein are made as of the date of this press release and Innergex 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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