News Release
For immediate distribution

INNERGEX REPORTS SECOND QUARTER 2012 RESULTS

PRODUCTION CAPACITY ADDITIONS INCREASE REVENUES 28%

- Power generated increases 20% to 714.7 GWh, reaching 100% of the long-term average
- Operating revenues increase 28% to $56.0 million
- Adjusted EBITDA increases 33% to $46.2 million

LONGUEUIL, Quebec, August 7, 2012 – Innergex Renewable Energy Inc. (TSX: INE) ("Innergex" or the "Corporation") today released its operating and financial results for the second quarter ended June 30, 2012.

"These results reflect Innergex's ability to grow from both organic project development and acquisitions," stated Michel Letellier, President and Chief Executive Officer of the Corporation. "While a cold winter in British Columbia has once again affected hydrology in that province during the first half of the year, we are very pleased with the contribution of the Stardale solar farm, which began commercial operations last May."

OPERATING RESULTS

Amounts shown are in thousands of Canadian dollars except as noted otherwise.

Highlights	Three-months ended June 30		Six-months ended June 30	
	2012	2011	2012	2011
Power generated (MWh)	714,700	595,317	1,042,208	835,497
Long-term average (MWh)	712,005	654,060	1,114,831	911,096
Operating revenues	56,047	43,845	84,804	64,661
Adjusted EBITDA[1]	46,196	34,618	65,079	49,342
Net loss	(11,865)	(6,834)	(4,060)	(1,104)
Net loss, $ per share	(0.12)	(0.09)	(0.03)	(0.04)

[1] Adjusted EBITDA is defined as operating revenues less operating expenses, general and administrative expenses and prospective project expenses.

Second Quarter Results

The increases in power generated, operating revenues, and Adjusted EBITDA recorded for the second quarter ended June 30, 2012 result mainly from the addition of the Montagne Sèche and Gros-Morne I wind farms in Quebec, as well as the Stardale solar farm in Ontario.

Electricity production was just slightly greater than the long-term average, due mainly to better than anticipated hydrologic conditions in Quebec and the United States, which were offset by lower than anticipated hydrologic conditions in Ontario and lower than anticipated wind conditions at the Baie-des-Sables and Carleton wind farms. The Stardale solar farm performed above its expected long-term average.

The unfavourable variation in net loss for the three-month period ended June 30, 2012 reflects an unrealized net loss on derivative financial instruments of $28.0 million ($10.9 million in 2011) and the related deferred income tax recoveries of $7.3 million ($2.9 million in 2011). When excluding these items, the net earnings for the second quarter would have been $8.9 million ($1.1 million in 2011).

Six-Month Results

For the six-month period ended June 30, 2012, power generated increased 25%, operating revenues increased 31%, and Adjusted EBITDA increased 32%. These increases result from the addition of the Montagne Sèche, Gros-Morne I and Stardale facilities, as well as the six run-of-river hydroelectric facilities acquired as part of the Cloudworks acquisition on April 4, 2011.

During the first half of the year, electricity production reached 93% of the long-term average (92% in 2011), due mainly to low water flows at all British Columbia and Ontario facilities. Wind conditions lower than the long-term average negatively affected production at most wind farms. Production levels were also affected during the first quarter by repairs at Gros-Morne I made necessary following a load rejection event that occurred in December 2011. The United States hydroelectric facility and most of the Quebec hydroelectric facilities performed above their long-term average.

The overall performance of the Corporation's facilities for the six-month period ended June 30, 2012 demonstrates the benefits of geographic diversification and the complementarity of hydroelectric, wind, and solar power generation.

The unfavourable variation in net loss for the six-month period ended June 30, 2012 reflects an unrealized net loss on derivative financial instruments of $7.0 million ($1.4 million in 2011) and the related deferred income tax recoveries of $1.8 million ($0.4 million in 2011). When excluding these items, the net earnings for the six-month period ended June 30, 2012 would have been $1.1 million (compared to a net loss of $0.1 million in 2011).

Cash Flows from Operating Activities

For the six-month period ended June 30, 2012, cash flows generated by operating activities totalled $33.5 million ($18.8 million in 2011). The increase results primarily from a $15.7 million increase in Adjusted EBITDA, a $1.5 million decrease in transaction costs, and an $8.7 million decrease in changes in non-cash operating working capital items.

DEVELOPMENT PROJECTS

Gros-Morne II Wind Farm
The construction of the Gros-Morne Phase II wind farm ("Gros-Morne II") began in the second quarter of 2010. As planned, construction activities were halted for the winter period and resumed during the second week of May 2012. At the end of June 2012, 26 out of 74 turbines had been erected. Innergex expects Gros-Morne II to be completed by December 1, 2012.

Kwoiek Creek Hydroelectric Facility
The construction of this hydroelectric facility began in the last quarter of 2011. By the end of the second quarter of 2012, bulk excavation of the intake diversion channel was nearly completed and concrete work at the powerhouse was well under way. Transmission line construction and penstock bulk excavation were ongoing. Current activities also include installation of the penstock and construction of the fish habitat compensation channel. Construction of this facility is expected to be completed in the last quarter of 2013.

Northwest Stave River Hydroelectric Facility
The construction of this hydroelectric facility began in the last quarter of 2011. By the end of the second quarter of 2012, powerhouse excavation was nearly completed, the penstock bulk excavation began and the clearing of the intake site continued. Current activities include construction of the transmission line, the gate and diversion weir, and the cofferdam. Construction of this facility is expected to be completed in the last quarter of 2013.

Viger-Denonville Wind Farm
Current activities include environmental studies, consultation with the various stakeholders, and applications for obtaining the relevant permits. Construction of this project is expected to start in the spring of 2013.

Boulder Creek, North Creek, and Upper Lillooet Hydroelectric Facilities
Current activities include hydrometric monitoring, environmental studies, consultation with the various stakeholders, applications for obtaining the relevant permits and preliminary engineering. An important milestone was reached when the Environmental Assessment was accepted for review by the Environmental Assessment Office on May 28, 2012. The Corporation expects to start construction of the Boulder Creek and Upper Lillooet projects in 2013 and construction of the North Creek project in 2014.

Tretheway Creek and Big Silver-Shovel Creek Hydroelectric Facilities
Current activities include hydrometric monitoring, environmental studies, consultation with the various stakeholders, applications for obtaining the relevant permits and preliminary engineering. The Corporation expects to start construction of these two projects in 2013.

SUBSEQUENT EVENTS

Acquisition of Two Operating Hydroelectric Facilities in British Columbia
On June 14, 2012, the Corporation announced that it had signed a purchase and sale agreement to acquire from Capital Power Corp. of all the units of the entity owning the Brown Lake and Miller Creek hydroelectric facilities located in British Columbia. The purchase price of these assets is approximately $69.2 million. Brown Lake is a 7.2 MW facility with an average annual production of 51,800 MWh. The electricity it produces is sold to BC Hydro under a power purchase agreement which expires in 2016. The Corporation expects to double the plant's installed capacity to 14.4 MW and increase its expected average annual production by 27,000 MWh for an additional investment of approximately $20.0 million. Miller Creek is a 33 MW facility with an average annual production of 97,900 MWh. The electricity it produces is sold to BC Hydro under a power purchase agreement which expires in 2023. The Corporation expects to upgrade the penstock and water intake which should increase the plant's expected average annual production by 4,895 MWh, for an additional investment of approximately $8.5 million.

Closing of the Kwoiek Creek Project Financing
On July 17, 2012, the Corporation announced that the Kwoiek Creek Resources Limited Partnership had closed a $168.5 million non-recourse construction and term project financing for the Kwoiek Creek project. The construction loan will carry a fixed interest rate of 5.075%; it will convert to a 39-year term loan following the start of the project's commercial operations and will amortize over a 36-year period starting three years later. The financing has been arranged with a group of life insurance companies comprised of The Manufacturers Life Insurance Company as agent and lead lender, and also The Canada Life Assurance Company and The Great-West Life Assurance Company as lenders.

Increase of the Revolving Term Credit Facility by $75.0 million
On July 17, 2012, Innergex announced that it had exercised a portion of the accordion feature on its revolving term credit facility, increasing its borrowing capacity from $350.0 million to $425.0 million. All terms and conditions remain unchanged, including an August 2016 maturity.

Partnership Agreement with the Mi'gmawei Mawiomi
On July 20, 2012, the Corporation and the Mi'gmawei Mawiomi (the Mi'gmaq of Quebec) announced that they had concluded a partnership agreement for the development, financing, construction, and operation of a 150 MW wind farm on the Gaspé Peninsula in Quebec. The two partners intend to submit the project under the Aboriginal wind energy program of 250 MW, as part of a call for tenders for the commissioning of 700 MW of wind energy announced earlier the same day by the Quebec government.

Acquisition of a Wind Farm Project in British Columbia
On July 26, 2012, the Corporation announced that it had signed a purchase and sale agreement to acquire from Finavera Wind Energy its Wildmare wind farm project. The purchase price of this asset is approximately $22.0 million. All of the power produced will be sold to BC Hydro under a 25-year power purchase agreement, which provides for an annual adjustment to the selling price based on a portion of the Consumer Price Index. Wildmare will have a total installed capacity of 77 MW and an estimated yearly energy output of 238,200 MWh. The Corporation believes that this project, currently in the permitting phase, should begin commercial operations in 2015. The total cost of the project is estimated to be $217.0 million, approximately two-thirds of which will be financed with project level debt and the balance financed with equity.

Acquisition of an Operating Hydroelectric Facility in Quebec
On July 26, 2012, the Corporation announced that it had signed a purchase and sale agreement to acquire from the Hydromega Group of Companies ("Hydromega") its 70% interest in the Magpie facility located in the Minganie RCM, in Northeastern Quebec. The purchase price of this asset is approximately $30.5 million, plus assumption of approximately $51.0 million in fixed-rate project level debt. Magpie is a 40.6 MW run-of-river hydroelectric facility with an estimated yearly energy output of 185,000 MWh. All the power produced is sold to Hydro-Québec under a 25-year power purchase agreement.

The Corporation also signed a deposit agreement, as well as a letter of intent with Hydromega with respect to the acquisition of its equity interest in six other sites, including one 30.5 MW hydroelectric facility in Quebec, four hydroelectric projects under construction totaling 22.0 MW in Ontario, and one 10.0 MW hydroelectric project under development, also in Ontario.

Private Placement of Common Shares Totaling $123.7 million
On July 26, 2012, the Corporation announced that it had closed a private placement with the Caisse de dépôt et placement du Québec and one other institutional investor to issue a total of 12,040,499 common shares at a price of $10.27 per share, for gross proceeds of $123.7 million. These proceeds will be used to finance the acquisitions recently announced by the Corporation, including the Brown Lake and Miller Creek hydroelectric facilities, the Wildmare wind farm project, and the Magpie hydroelectric facility.

DIVIDEND REINVESTMENT PLAN (DRIP)

On July 26, 2012, the Corporation announced that its board of directors had recently approved the implementation of a dividend reinvestment plan for its shareholders. The plan will allow eligible common shareholders the opportunity to reinvest a portion or all of the dividends they receive to purchase additional common shares of the Corporation, without paying fees such as brokerage commissions and service charges. Shares will either be purchased on the open market or issued from treasury. The board of directors of the Corporation has further elected, until further notice, that shares purchased under the DRIP will be issued from treasury and that their purchase price will be subject to a discount of 2.5% for participating shareholders.

Enrolment in the Corporation's DRIP will start on August 31, 2012, subject to approval by the Toronto Stock Exchange. Starting on August 31, 2012, eligible shareholders will be able to obtain a plan package, including a copy of the Dividend Reinvestment Plan and the enrolment form, from the Computershare website. Information will also be available on the Corporation's website at www.innergex.com, under the Investors section.

DIVIDEND DECLARATION

Dividends to Preferred Shareholders
On August 7, 2012, the Corporation declared a dividend of $0.3125 per Series A Preferred Share payable on October 15, 2012, to Series A preferred shareholders of record at the close of business on September 28, 2012.

Dividends to Common Shareholders
On August 7, 2012, the Corporation declared a dividend of $0.1450 per common share payable on October 15, 2012, to common shareholders of record at the close of business on September 28, 2012.

CONFERENCE CALL REMINDER

The Corporation will hold a conference call tomorrow, Wednesday August 8, 2012 at 10:00 a.m. EDT. The first quarter results will be presented by Mr. Michel Letellier, President and Chief Executive Officer of Innergex and by Mr. Jean Trudel, Chief Investment Officer and Senior Vice President – Communications. Investors and financial analysts are invited to access the conference call by dialing **647 427-7450** or **1 888 231-8191**. Media and the public may also access this conference call, on a listen-only mode. A replay of the conference call will be available at 1 855 859-2056 (access code: 99363385 #) until August 15, 2012, at 11:59 p.m. EDT.

About Innergex Renewable Energy Inc.

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 2,904 MW (gross 3,127 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.

Non-IFRS Measures Disclaimer

The consolidated financial statements for the three and six-month periods ended June 30, 2012 have been prepared in accordance with International Financial Reporting Standards ("IFRS").

However, some measures referred to in this news release are not recognized measures under IFRS, 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. Adjusted EBITDA is not a measure recognized by IFRS and has no standardized meaning prescribed by IFRS. References in this news release to "Adjusted EBITDA" are to operating revenues less operating expenses, general and administrative expenses and prospective project expenses. Investors are cautioned that these non-IFRS measures should not be construed as an alternative to net income as determined in accordance with IFRS.

Forward-Looking Information Disclaimer

In order to inform shareholders and potential investors about the Corporation's future prospects, this news release may contain forward-looking information within the meaning of securities legislation ("Forward-Looking Information"). Forward-Looking Information can generally be identified by the use of words and phrases, such as "about", "approximate", "potential", "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 includes forward-looking financial information or financial outlook, within the meaning of securities laws, such as projected revenues, projected construction costs, or approximate purchase price to inform investors and shareholders of the potential financial impact of recently announced acquisitions or expected results; such information may not be appropriate for other purposes.

Forward-Looking Information represents, 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 Information involves 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 Information. 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, without limitation: (i) execution of strategy; (ii) capital resources; (iii) derivative financial instruments; (iv) availability of water flows, wind and sun light; (v) failure to close the recently announced transactions; (vi) construction and design; (vii) development of new facilities; (viii) project performance; (ix) permits; (x) equipment failure; (xi) health, safety and environmental risks; (xii) interest rate and refinancing risk; (xiii) financial leverage and restrictive covenants; and (xiv) relationship with public utilities. Although the Corporation believes that the expectations instigated by the Forward-Looking Information are based on reasonable and valid hypotheses, there is a risk that the Forward-looking Information may be incorrect. The reader is cautioned not to rely unduly on this Forward-Looking Information. The Forward-Looking Information expressed verbally or in writing, by the Corporation or by a person acting on its behalf, is expressly qualified by this cautionary statement. 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.

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For more information, please contact:

Jean Trudel, MBA
Chief Investment Officer and
Senior Vice President - Communications
450 928-2550, ext. 252
jtrudel@innergex.com

Marie-Josée Privyk, CFA
Director – Investor Relations
450 928-2550, ext. 222
mjprivyk@innergex.com

www.innergex.com