



INNERGEX RENEWABLE ENERGY INC (TSX: INE)

CIBC ANNUAL EASTERN INSTITUTIONAL INVESTOR
CONFERENCE

SEPTEMBER 18, 2014



INNERGEX

FORWARD-LOOKING INFORMATION

This document contains forward-looking information within the meaning of securities legislations ("Forward-Looking Information"), which can generally be identified by the use of words such as "projected", "potential", "expect", "estimate", or other comparable terminology that states that certain events will or will not occur. It represents the estimates and expectations of the Corporation relating to future results and developments as of the date of this document. It includes **future-oriented financial information**, such as projected Adjusted EBITDA to inform readers of the potential financial impact of commissioning existing development projects and of integrating the recently acquired SM-1 hydroelectric facility. This information may not be appropriate for other purposes.

Forward-Looking Information in this document is based on certain **key assumptions** made by the Corporation. The following table outlines certain Forward-Looking Information contained in this document, the principal assumptions used to derive this information and the principal risks and uncertainties that could cause actual results to differ materially from this information.

The material **risks and uncertainties** that may cause actual results and developments to be materially different from current expressed Forward-Looking Information are referred to in the Corporation's *Annual Information Form* under the "Risk Factors" section and include, without limitation: the ability of the Corporation to execute its strategy for building shareholder value; its ability to raise additional capital and the state of capital markets; liquidity risks related to derivative financial instruments; variability in hydrology, wind regimes and solar irradiation; delays and cost overruns in the design and construction of projects, uncertainty surrounding the development of new facilities; variability of installation performance and related penalties; the ability to secure new power purchase agreements or to renew existing ones; and the ability to realize the benefits of acquiring the SM-1 hydroelectric facility.

Although the Corporation believes that the expectations and assumptions on which Forward-Looking Information is based are reasonable, readers of this document are cautioned not to rely unduly on this Forward-Looking Information since no assurance can be given that it will prove to be correct. 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 of this document, unless required by legislation.

PRINCIPAL ASSUMPTIONS

PROJECTED ADJUSTED EBITDA

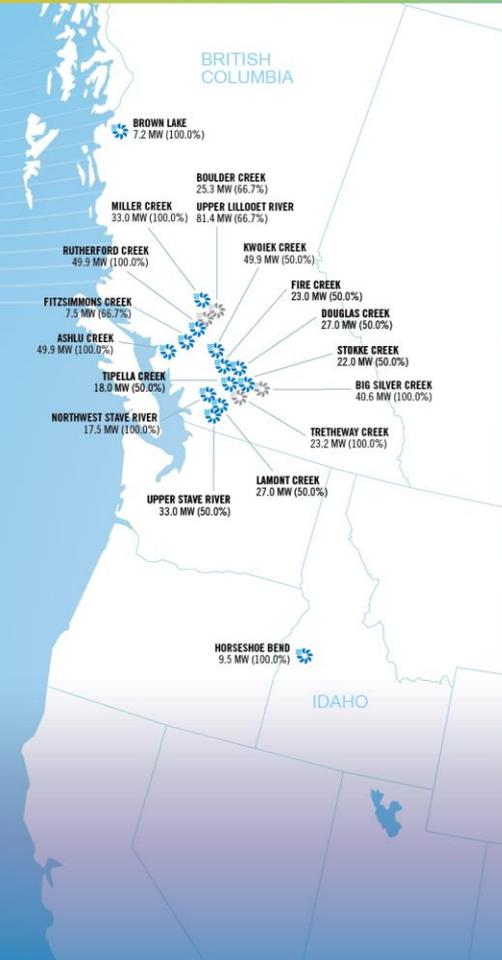
For each facility, the Corporation determines an annual long-term average level of electricity production (LTA) over the expected life of the facility, based on several factors that include, without limitations, historically observed water flows or wind or solar irradiation conditions, turbine or panel technology, installed capacity, energy losses, operational features and maintenance. Although production will fluctuate from year to year, over an extended period it should approach the estimated long-term average. The Corporation then estimates expected annual revenues for each facility by multiplying its LTA by a price for electricity stipulated in the power purchase agreement secured with a public utility or other creditworthy counterparty. These agreements stipulate a base price and, in some cases, a price adjustment depending on the month, day and hour of delivery. In most cases, power purchase agreements also contain an annual inflation adjustment based on a portion of the Consumer Price Index. The Corporation then estimates annual operating earnings by subtracting from the estimated revenues the budgeted annual operating costs, which consist primarily of operators' salaries, insurance premiums, operations and maintenance expenditures, property taxes, and royalties; these are predictable and relatively fixed, varying mainly with inflation except for maintenance expenditures. On a consolidated basis, the Corporation estimates annual Adjusted EBITDA by adding the projected operating earnings of all the facilities in operation that it consolidates*, from which it subtracts budgeted general and administrative expenses, comprised essentially of salaries and office expenses, and budgeted prospective project expenses, which are determined based on the number of prospective projects the Corporation chooses to develop and the resources required to do so.

*Excludes Umbata Falls and Viger-Denonville accounted for using the equity method.

PRINCIPAL RISKS AND UNCERTAINTIES

- Improper assessment of water, wind and sun resources and associated electricity production
- Variability in hydrology, wind regimes and solar irradiation
- Equipment failure or unexpected operations & maintenance activity
- Unexpected seasonal variability in the production and delivery of electricity
- Variability of facility performance and related penalties
- Changes to water and land rental expenses
- Unexpected maintenance expenditures
- Lower inflation rate than expected

PURE PLAY IN CANADIAN RENEWABLE ENERGY



33

IN OPERATION
(NET/GROSS)

687 / 1,194 MW

26 HYDRO FACILITIES (418/547 MW)

6 WIND FARMS (236/614 MW)

1 SOLAR FARM (33/33 MW_{DC})

5

UNDER DEVELOPMENT
(NET/GROSS)

210 / 321 MW

4 HYDRO PROJECTS (135/171 MW)

1 WIND PROJECT (75/150 MW)

PLUS OVER 2,900 MW OF
PROSPECTIVE PROJECTS



LEGEND

- Hydro
- Wind
- Solar

MW shown are net

KEY DIFFERENTIATORS

1

PURE PLAY
IN THE CANADIAN
RENEWABLE ENERGY
INDUSTRY

2

PREPONDERANCE
OF HYDRO ASSETS

3

ABILITY TO DEVELOP
SUCCESSFUL LONG-
TERM PARTNERSHIPS
WITH FIRST NATIONS
AND LOCAL
MUNICIPALITIES

MEASURABLE GROWTH

A KEY PERFORMANCE INDICATOR FOR US IS THE ADJUSTED EBITDA GENERATED BY THE FACILITIES WE CONSOLIDATE¹.



Adjusted EBITDA refers to revenues less operating expenses, general and administrative expenses and prospective project expenses. It is not a measure recognized by IFRS and should not be construed as an alternative to net earnings, as determined in accordance with IFRS.

¹Excludes the Umbata Falls and Viger-Denonville joint ventures, accounted for using the equity method. The annual Adjusted EBITDA for these facilities combined attributable to the Corporation is approximately \$8.0M.

AN ATTRACTIVE RISK-RETURN PROPOSITION

1

LOW-RISK
BUSINESS MODEL

2

SUSTAINABLE
DIVIDEND

3

GROWTH