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News Release For Immediate Distribution

INNERGEX CLOSES KWOIEK CREEK HYDROELECTRIC PROJECT FINANCING

LONGUEUIL, Quebec, July 17, 2012 – Innergex Renewable Energy Inc. (TSX: INE) (“Innergex” or the “Corporation”) announces that the Kwoiek Creek Resources Limited Partnership has closed a \$168.5 million non-recourse construction and term project financing for the Kwoiek Creek run-of-river hydroelectric project located in British Columbia, Canada. Kwoiek Creek Resources Limited Partnership, the entity which owns the Kwoiek Creek project, is equally owned by the Corporation and the Kanaka Bar Indian Band.

The \$168.5 million construction loan will carry a fixed interest rate of 5.075%; it will convert into a 39-year term loan upon the start of the project’s commercial operation and will amortize over a 36-year period starting three years from then. The financing has been arranged with a group of life insurance companies comprising 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.

“We are very satisfied with the terms of this financing agreement. We are especially pleased to have secured fixed-rate debt financing with a term of nearly 40 years, which corresponds to the duration of the power purchase agreement for this project” states Michel Letellier, President and Chief Executive Officer of the Corporation. “We continue to limit our exposure to interest rate fluctuations, consistent with our strategy of derisking our business model” adds Mr. Letellier.

The 49.9 MW Kwoiek Creek hydroelectric project is located on reserve lands on Kwoiek Creek, a tributary to the Fraser River, approximately 14 km south of Lytton, British Columbia. The project is being developed through a 50-50 partnership with the Kanaka Bar Indian Band. Construction began in the fourth quarter of 2011 and commercial operation is expected to begin in the fourth quarter of 2013. Kwoiek Creek’s average annual production is estimated to reach 215,000 MWh, enough to power approximately 22,000 BC households. All of the electricity it will produce will be covered by a 40-year power purchase agreement with BC Hydro, which was obtained under that province’s 2006 Call for Tenders for clean energy and which provides for an annual adjustment to the selling price based on a portion of the Consumer Price Index. The proceeds of the financing will be used to fund the total project costs, as well as the settlement of the bond forward contracts used to fix the base borrowing rate.

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 2,844 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.

Forward-Looking Information Disclaimer

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 construction costs, commercial operation date, and average annual production.

The forward-looking information includes forward-looking financial information or financial outlook, such as the estimated construction costs and electricity production, to inform investors of the potential financial impact of the Kwoiek Creek project 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 construction costs, commercial operation date, performance of the facility, as well as 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, design, development, and construction of the new facility, performance of third-party suppliers, securing project financing, 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. 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.

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