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Press release
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INNERGEX ANNOUNCES THE CLOSING OF ITS \$166 MILLION SUBSCRIPTION RECEIPTS OFFERING

Montréal (Québec) – March 4, 2011 – Innergex Renewable Energy Inc. (TSX: INE) (“Innergex”) is pleased to announce the closing of its offering of subscription receipts. Innergex issued a total of 17,750,000 subscription receipts at \$9.35 per subscription receipt for aggregate gross proceeds of \$165,962,500, including an over-allotment option exercised in full by a syndicate of underwriters. The subscription receipts commenced trading on the Toronto Stock Exchange today under the symbol INE.R.

The offering was made on a bought deal basis through a syndicate of underwriters led by BMO Capital Markets and National Bank Financial Inc. that included TD Securities Inc., RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc. and Desjardins Securities Inc.

Innergex intends to use the net proceeds of the offering to finance the cash portion of the purchase consideration payable in connection with its previously announced acquisition of Cloudworks Energy Inc. (“Cloudworks”), to pay transaction expenses and for general corporate purposes. Cloudworks is headquartered in Vancouver, British Columbia, and is an independent power producer that owns (i) an indirect interest of 50.01% in six operating run-of-river hydroelectric power facilities in British Columbia with a combined installed capacity of 150 MW, (ii) 100% of three development-stage run-of-river hydroelectric projects with long-term power purchase agreements with an expected installed capacity of 75.6 MW in aggregate and (iii) 100% of prospective run-of-river hydroelectric projects that are in various stages of development, having a potential aggregate installed capacity of over 800 MW.

The acquisition is expected to close by March 31, 2011, subject to the fulfillment or waiver of certain customary closing conditions. At closing, each subscription receipt will be exchanged for one common share of Innergex. In connection with the acquisition, Innergex has agreed to acquire all of the issued and outstanding shares of Cloudworks for an aggregate consideration of (i) subject to certain adjustments, \$185 million, of which approximately \$145.7 million will be payable in cash and approximately \$39.3 million will be payable by the issuance of common shares of Innergex by way of private placement, and (ii) certain conditional deferred payments based on the performance of the Cloudworks portfolio of assets.

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 consists of: i) interests in 17 operating facilities with an aggregate net installed capacity of 326 MW; ii) interests in 7 projects under development with an aggregate net installed capacity of 203 MW for which power purchase agreements have been secured; and iii) prospective projects of more than 2,000 MW (net).

Forward-looking information

This press release contains forward-looking information within the meaning of applicable securities laws. 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: the anticipated closing of the Acquisition, the benefits which may accrue to Innergex and its shareholders as a result of the acquisition, the anticipated closing of the offering of the Subscription Receipts, cash flows, dividends, power generation, growth prospects, business strategy and plans, and objectives of or involving Innergex.

The forward-looking information is based on certain key expectations and assumptions made by Innergex, including expectations and assumptions concerning satisfaction of all conditions of closing, absence of exercise of any termination right and the timing and receipt of regulatory approval with respect to the offering of Subscription Receipts and the issuance of the private placement shares, availability of capital resources and performance of operating facilities. 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, the market for Subscription Receipts, volatility of market price for common shares, escrow release condition, failure to close the Acquisition, potential undisclosed liabilities associated with the Acquisition and integration of the business of Cloudworks, failure to realize the benefits of the Acquisition (including cost synergies, operational efficiencies and added stability of cash flows), energy generation and the limited nature of the representations and warranties and indemnities in the share purchase agreement and other risks generally attributable to the business of Innergex as the businesses of Innergex and Cloudworks are very similar. For additional information with respect to risks and uncertainties, refer to the Annual Information Form of Innergex filed by Innergex with the Canadian securities commissions.

THIS ANNOUNCEMENT IS NOT AN OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OF INNERGEX, NOR SHALL IT FORM THE BASIS OF, OR BE RELIED UPON IN CONNECTION WITH ANY CONTRACT FOR PURCHASE OR SUBSCRIPTION. THE SUBSCRIPTION RECEIPTS WILL ONLY BE OFFERED IN CANADA BY MEANS OF THE PROSPECTUS REFERRED TO ABOVE. THESE SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO A U.S. PERSON (AS DEFINED IN REGULATIONS OF THE U.S. SECURITIES AND EXCHANGE COMMISSION) UNLESS REGISTERED UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN APPLICABLE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OR THE LAWS OF ANY STATE OF THE UNITED STATES. THESE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT AND THE LAWS OF ANY STATE OF THE UNITED STATES.

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