

## **Maxim Power Corp. Provides Investor Update**

CALGARY, Alberta, May 08, 2018 -- Maxim Power Corp. ("MAXIM" or the "Corporation") today provided an update of its operating, development and corporate activities.

### **MILNER GENERATING FACILITY ("MILNER") SITE**

MAXIM has reviewed and investigated multiple alternatives in relation to the Milner site to maximize shareholder value, including: repurposing the site for other industrial activity, outright sale to a third party, reclaiming the approximately 31 hectare site in its entirety, and investing in development of additional generating capacity at the site.

At this time, MAXIM believes that development of additional generating capacity at the site produces the best risk-adjusted return for MAXIM shareholders in consideration of all options. The site has access to existing Milner assets, which results in a cost-effective solution for new development. MAXIM has evaluated a potential investment of upwards of \$70 million at the Milner site to modernize the generating facilities in advance of the first Alberta capacity market contract delivery period commencing in November 2021. The potential investment is projected to deliver up to 234 MW of natural gas-fired electric generating capacity, with a competitive heat rate, at the site. Management is currently identifying the exact configuration and equipment that will best match the requirements of the new Alberta capacity market construct. MAXIM believes this investment provides the best alternative to maximize shareholder value.

MAXIM has chosen not to remediate and reclaim the entire Milner site at this time. The Corporation anticipates that the site work through to receipt of government reclamation certificates would take upwards of ten years to complete and would incur significant and unnecessary overhead costs during this period with no offsetting revenue. MAXIM does however expect to continue remediation of certain areas of the site concurrently with advancing development of additional generating capacity on the site.

In the meantime, as previously reported, MAXIM intends to resume operations of Milner in mid-2018. MAXIM has existing coal inventory at the Milner site, which combined with current forward pricing, provides MAXIM an opportunity to consume this inventory in 2018 in the most economic manner. The Corporation anticipates that it has approximately six months of coal inventory on hand, based on prior consumption. If Milner is unable to consume or resell its coal inventory, it would ultimately incur significant costs for disposal.

### **AUC LOSS FACTOR DECISION**

As previously reported, MAXIM (through its wholly-owned subsidiary, Milner Power Inc.) has an outstanding complaint relating to the AESO Line Loss Rule for the period of January 1, 2006 to December 31, 2016. Based on the timeline from the Alberta Electric System Operator, MAXIM does not anticipate receiving cash proceeds prior to mid-2019. MAXIM anticipates cash proceeds to be approximately \$40 million, based on calculations established using information currently available on the public record, before accounting for the time value of money at the Bank of Canada Bank Rate +1.5%. Certain industry participants are seeking permission to appeal AUC decisions related to this matter. The timing and amount of refunds are subject to the calculations by the AESO and the outcome of these appeals. The Corporation currently does not expect to be able realize or utilize these proceeds until cash has been received by MAXIM and all appeals have been resolved.

### **CORPORATE**

MAXIM continues to evaluate options with respect to its strong liquidity and working capital position to provide the best value to shareholders. The Corporation believes that the current market price of its common shares does not accurately reflect their underlying value. As a result, the Corporation provided notice to the Toronto Stock Exchange of its intention to make a normal course issuer bid to purchase for cancellation up to 3,100,000 Common Shares (refer to "Maxim Power Corp. Announces TSX Acceptance of Normal Course Issuer Bid" news release on May 8, 2018). MAXIM is committed to maintain adequate assets and liquidity to manage corporate requirements, outstanding indemnities (refer to Note 10 of the Unaudited Condensed Consolidated Interim Financial Statements for the First Quarter ended March 31, 2018) and covenants related to equity levels and cash distributions (refer to Annual Information Form dated March 15, 2018). In the future, MAXIM may consider alternate means to acquire its shares. However, the Corporation does not plan to distribute cash to existing shareholders via dividends or return of capital at this time.

### **About MAXIM**

Based in Calgary, Alberta, MAXIM is an independent power producer which acquires or develops, owns and operates innovative and environmentally responsible power and power related projects. MAXIM currently owns and operates one power plant in Alberta, having 150 MW of electric generating capacity. MAXIM trades on the TSX under the symbol "MXG". For more information about MAXIM, visit our website at [www.maximpowercorp.com](http://www.maximpowercorp.com).

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Statements in this release which describe MAXIM's intentions, expectations or predictions, or which relate to matters that are not historical facts are forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties which may cause the actual results, performances or achievements of MAXIM to be materially different from any future results, performances or achievements expressed in or implied by such forward-looking statements. MAXIM may update or revise any forward-looking statements, whether as a result of new information, future events or changing market and business conditions and will update such forward-looking statements as required pursuant to applicable securities laws.