

power **growth** precision



MAXIM
Power Corp

Quarterly Report of

MAXIM POWER CORP.

First Quarter Ended March 31, 2009 and 2008
(unaudited)



FORM 52-109F2 - CERTIFICATION OF INTERIM FILINGS - FULL CERTIFICATE

I, John R. Bobenic, President and Chief Executive Officer of Maxim Power Corp., certify the following:

1. **Review:** I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of Maxim Power Corp. (the "issuer") for the interim period ended March 31, 2009.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. **Responsibility:** The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings
 - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
 - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.
- 5.1 **Control framework:** The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Internal Control - Integrated Framework published by the Committee of Sponsoring Organizations.
- 5.2 N/A



- 5.3 **Limitation on scope of design:** The issuer has disclosed in its interim MD&A
- (a) the fact that the issuer's other certifying officer and I have limited the scope of our design of DC&P and ICFR to exclude controls, policies and procedures of
 - (i) N/A;
 - (ii) N/A; or
 - (iii) a business that the issuer acquired not more than 365 days before the last day of the period covered by the interim filings; and
 - (b) summary financial information about the proportionately consolidated entity, variable interest entity or business that the issuer acquired that has been proportionately consolidated or consolidated in the issuer's financial statements.
6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2009 and ended on March 31, 2009, that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 14, 2009

"signed"

John R. Bobenic
President and Chief Executive Officer



FORM 52-109F2 - CERTIFICATION OF INTERIM FILINGS - FULL CERTIFICATE

I, Michael R. Mayder, Vice President, Finance and Chief Financial Officer of Maxim Power Corp., certify the following:

1. **Review:** I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of Maxim Power Corp. (the "issuer") for the interim period ended March 31, 2009.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. **Responsibility:** The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings
 - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
 - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.
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- 5.2 N/A



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- (a) the fact that the issuer's other certifying officer and I have limited the scope of our design of DC&P and ICFR to exclude controls, policies and procedures of
 - (i) N/A;
 - (ii) N/A; or
 - (iii) a business that the issuer acquired not more than 365 days before the last day of the period covered by the interim filings; and
 - (b) summary financial information about the proportionately consolidated entity, variable interest entity or business that the issuer acquired that has been proportionately consolidated or consolidated in the issuer's financial statements.
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Date: May 14, 2009

"signed"

Michael R. Mayder
Vice President, Finance and Chief Financial Officer

Quarterly Report of

MAXIM POWER CORP.

First Quarter Ended March 31, 2009 and 2008
(unaudited)

MAXIM POWER CORP.

Consolidated Balance Sheets
(In Thousands of Dollars)
(unaudited)

	March 31, 2009	December 31, 2008
Assets		
Current assets:		
Cash	\$ 20,685	\$ 11,791
Accounts receivable	35,245	42,288
Prepaid expenses, deposits and other	2,553	1,733
Inventory (note 7)	7,014	6,447
	<hr/> 65,497	<hr/> 62,259
Property, plant and equipment (note 8)	284,066	282,017
Future income tax asset	3,319	3,942
Intangibles (note 9)	30,880	31,533
Prepaid expenses and deposits	1,037	337
Goodwill	15,632	15,632
	<hr/> \$ 400,431	<hr/> \$ 395,720
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 37,391	\$ 37,662
Income taxes payable	4,613	2,221
Deferred revenue	354	-
Current portion of long-term debt (note 10)	6,629	7,873
Current portion of capital lease obligations (note 11)	7,893	7,725
Current portion of long-term contracts	213	441
Current portion of future income tax liability	-	3,479
Current portion of risk management liability (note 13(a))	216	-
	<hr/> 57,309	<hr/> 59,401
Long-term debt (note 10)	58,571	59,287
Capital lease obligations (note 11)	16,000	18,352
Long-term contracts	319	372
Asset retirement obligation	3,197	3,048
Future income tax liability	16,820	15,166
Risk management liability (note 13(a))	467	-
Non-controlling interest	-	142
Shareholders' equity:		
Share capital (note 12)	156,110	156,416
Contributed surplus (note 12)	6,027	5,322
Retained earnings	62,752	57,749
Accumulated other comprehensive income (note 4)	22,859	20,465
	<hr/> 85,611	<hr/> 78,214
	<hr/> 247,748	<hr/> 239,952
	<hr/> \$ 400,431	<hr/> \$ 395,720

See accompanying notes to consolidated financial statements.

On behalf of the Board:

(Signed) _____ Director

(Signed) _____ Director

MAXIM POWER CORP.

Consolidated Statements of Operations and Retained Earnings

Three months ended March 31, 2009 and 2008
(In Thousands of Dollars)
(unaudited)

	2009	2008 (restated – note 3)
Revenue:		
Electricity sales	\$ 55,276	\$ 47,414
Expenses:		
Plant operations	37,602	30,636
General and administration	1,372	1,400
Depreciation and amortization	7,863	5,170
	46,837	37,206
Income before the following items	8,439	10,208
Interest expense related to:		
Long-term debt	1,068	951
Capital lease obligations	508	272
Other	26	13
Interest income	(15)	(147)
Foreign exchange gain	(37)	(10)
Other income	(937)	-
Income before income taxes	7,826	9,129
Income taxes:		
Current	4,908	7,470
Future	(1,943)	(4,514)
	2,965	2,956
Non-controlling interest	(142)	46
Net income from continuing operations	5,003	6,127
Loss from discontinued operations (note 6)	-	(37)
Net income for the period	5,003	6,090
Retained earnings, beginning of period (as restated – note 3)	57,749	46,941
Retained earnings, end of period	62,752	53,031
Basic and diluted income per share – continuing operations	\$ 0.09	\$ 0.14
Basic and diluted income per share – discontinuing operations	\$ -	\$ -
Basic and diluted income per share	\$ 0.09	\$ 0.14

MAXIM POWER CORP.

Consolidated Statements of Comprehensive Income

Three months ended March 31, 2009 and 2008
(In Thousands of Dollars)
(unaudited)

	2009	2008 (restated - note 3)
Net income for the period	\$ 5,003	\$ 6,090
Other comprehensive income, net of tax:		
Unrealized gains on translation of self-sustaining operations	3,077	7,227
Unrealized loss on derivatives designated as cash flow hedges	(683)	-
Comprehensive income	\$ 7,397	\$ 13,317

See accompanying notes to consolidated financial statements.

MAXIM POWER CORP.

Consolidated Statements of Cash Flows

Three months ended March 31, 2009 and 2008
(In Thousands of Dollars)
(unaudited)

	2009	2008 (restated – note 3)
Cash provided by (used in):		
Operations:		
Net income from continuing operations	\$ 5,003	\$ 6,127
Items not involving cash:		
Depreciation and amortization	7,863	5,170
Amortization of deferred financing costs	66	298
Amortization of long-term contracts	(306)	(323)
Non-controlling interest	(142)	46
Asset retirement obligation	55	14
Fair value of stock based compensation	629	629
Future income tax	(1,943)	(4,514)
	11,225	7,447
Change in non-cash working capital (note 14)	9,073	14,527
Cash flows from continuing operations	20,298	21,974
Net income (loss) from discontinued operations	-	(37)
Items not involving cash:		
Depreciation and amortization	-	5
Change in non-cash working capital	-	60
Cash flows from discontinued operations	-	28
	20,298	22,002
Financing:		
Issuance of long-term debt	-	14,923
Repayments of long-term debt	(2,904)	(875)
Issuance of capital lease obligations	617	-
Repayment of lease obligation	(2,538)	(1,208)
Normal course issuer bid	(257)	-
Issuance of common shares	-	113
	(5,082)	12,953
Investing:		
Additions to property, plant and equipment	(2,930)	(7,199)
Proceeds on disposal of property, plant and equipment	-	43
Intangibles	(205)	(545)
Acquisitions, net of cash acquired (note 5(a))	(2,825)	-
	(5,960)	(7,701)
Unrealized foreign exchange gain (loss)	(362)	894
Increase in cash	8,894	28,148
Cash, beginning of period	11,791	20,167
Cash, end of period	\$ 20,685	\$ 48,315

See accompanying notes to consolidated financial statements.

MAXIM POWER CORP.

Notes to Consolidated Financial Statements

Three months ended March 31, 2009 and 2008

(Amounts in thousands of dollars except as otherwise noted, and shares and per share amounts)

1. Basis of Presentation

These unaudited interim consolidated financial statements have been prepared by management of Maxim Power Corp. ("MAXIM" or the "Corporation") in accordance with accounting principles generally accepted in Canada and should be read in conjunction with MAXIM's audited consolidated financial statements and notes for the fiscal year ended December 31, 2008. The accounting policies and methods of application used in the preparation of these unaudited interim consolidated financial statements are consistent with the accounting policies used in MAXIM's most recent audited year-end consolidated financial statements, with the exception of the change in accounting policy indicated in note 2.

The Corporation consolidates the accounts of its 95% interest in Basin Creek Holdco LLC, 90% interest in Pouchon Cogen SARL and 50% interest in Mirail Cogen SARL. Using this method, the Corporation has reflected 100% of the accounts of these entities in its consolidated financial statements with a deduction provided for the non-controlling interest's proportion of the accounts.

2. Change in Accounting Policy

Effective January 1, 2009, the Corporation adopted the new recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook accounting requirements for Goodwill and Intangible Assets (Section 3064) which replaced CICA Handbook for Goodwill and Other Intangible Assets (Section 3062). Section 3064 provides guidance on the recognition of intangible assets, as well as, the recognition and measurement of internally developed intangible assets. As a result of these new requirements, the company has found it necessary to specify a policy for assets under construction.

Assets under construction are projects undertaken by the Corporation. These costs include third party charges as well as specific direct costs. Capitalization of costs associated with these projects commences once technical feasibility is established and if the recovery of the cost is reasonably regarded as assured. If the project is subsequently abandoned, all costs are expensed in the period. Costs associated with assets under construction have been reclassified from deferred charges to property, plant and equipment to accommodate the change in accounting policy.

During the quarter, deferred costs associated with acquisitions have been reclassified to intangible assets. This reclassification is to accommodate the change in accounting policy.

3. Restatement

During the prior year, the Corporation determined it was necessary to revise the accounting for future income taxes for certain transactions. Future income tax asset and future income tax liability include amounts related to the Corporation's property, plant and equipment. It was determined that a portion of amounts do not reflect a future benefit to the Corporation. Accordingly, a reduction was required to future income tax asset and an increase was required to future income tax liability. Prior periods have been restated to reflect this change. The effect of the restatement is outlined below:

MAXIM POWER CORP.

Notes to Consolidated Financial Statements, Page 2

Three months ended March 31, 2009 and 2008

(Amounts in thousands of dollars except as otherwise noted, and shares and per share amounts)

3. Restatement (continued)

	March 31, 2008		March 31,
	Previously		2008
	Reported	Adjustment	Restated
Retained earnings, beginning of period	\$ 49,489	\$ (2,548)	\$ 46,941
Retained earnings, end of period	55,445	(2,414)	53,031
Future income tax recovery	(4,380)	(134)	(4,514)
Net income	5,956	134	6,090
Other comprehensive income	7,394	(167)	7,227
Earnings per share	\$ 0.13	\$ -	\$ 0.14

4. Accumulated Other Comprehensive Income

The composition of accumulated other comprehensive income is as follows:

	March 31,	December 31,
	2009	2008
Balance, beginning of period	\$ 20,465	\$ (6,055)
Unrealized gains on translation of net foreign operations	3,077	26,520
Unrealized losses on derivatives designated as cash flow hedges	(683)	-
Balance, end of period	\$ 22,859	\$ 20,465

5. Acquisitions

(a) 2009

On February 27, 2009, Comax France SAS, MAXIM's wholly-owned French subsidiary ("COMAX") purchased two cogeneration plants in France ("Sebi" and "Chabossiere"), which have a combined installed generating capacity of 16 MW. These acquisitions were funded through a capital lease agreement on an existing facility for \$617 (378 Euro) and internal cash flow of \$2,099 (1,310 Euro). For the purposes of reporting segmented information, the facilities are included in the France segment.

The acquisitions are accounted for at fair value using the purchase method of accounting for business combinations and operating results from acquired facilities are recognized subsequent to the date of acquisition. The total purchase consideration, including acquisition costs, has been allocated as follows:

	Sebi	Chabossiere
Current assets	\$ 78	\$ 1,223
Property, plant and equipment	1,045	956
Intangible assets	296	354
Future income taxes	6	66
	1,425	2,599
Bank indebtedness, net of cash	-	(135)
Other current liabilities	(22)	(66)
Future income tax liability	(402)	(683)
	(424)	(884)
Total cash consideration including acquisition costs	\$ 1,001	\$ 1,715

MAXIM POWER CORP.

Notes to Consolidated Financial Statements, Page 3

Three months ended March 31, 2009 and 2008

(Amounts in thousands of dollars except as otherwise noted, and shares and per share amounts)

5. Acquisitions (*continued*)

The amounts recorded on the acquisitions above are based upon preliminary information available to management as of the date of this report. The above amounts are subject to change when the information obtained by management changes subsequent to the date of this report.

(b) 2008

On August 6, 2008, MAXIM completed the acquisition of Pittsfield Generating Company LP ("Pittsfield") and its 170 MW electric generating facility located in Pittsfield, Massachusetts. Pittsfield was acquired from affiliates of GE Energy Financial Services, a unit of General Electric Company ("GE") for \$59,047 (US\$56,407), including acquisition costs. The Pittsfield facility is contracted under a Reliability Must Run ("RMR") agreement with ISO New England ("ISO-NE") which expires at the earlier of May 31, 2010 or within sixty days from receiving the written notice from ISO-NE. Under this agreement, the facility is available to provide power to the regional power grid when requested by ISO-NE. Following the expiration of the RMR agreement, the facility will be eligible for the Forward Capacity Market Payments from the ISO-NE, as well as the sale of energy into the day-ahead and real-time energy markets of ISO-NE. For the purposes of reporting segmented information, Pittsfield is included in the United States segment.

On July 24, 2008, COMAX purchased a cogeneration plant in France ("Beauprau"), which has a capacity of 3.1 MW electrical and 2.4 MW thermal. The acquisition was funded through MAXIM's internally generated cash to the extent of \$415 (262 Euro) and through the assumption of capital lease obligations of \$3,295 (2,081 Euro). For the purposes of reporting segmented information, Beauprau is included in the France segment.

On April 17, 2008, MAXIM acquired the 86 MW Forked River Power Plant ("Forked River") located in Ocean County, New Jersey. The plant was acquired from Jersey Central Power and Light Company ("JCP&L") for \$21,362 (US\$21,104), including acquisition costs, and was financed through MAXIM's internally generated cash. In conjunction with this purchase, a ten year tolling agreement has been entered into with FirstEnergy Solutions Corp. ("FirstEnergy"), a subsidiary of FirstEnergy Corp. and an affiliate of JCP&L, for the entire capacity of the plant. For the purposes of reporting segmented information, Forked River is included in the United States segment.

On April 1, 2008, COMAX purchased a cogeneration plant in France ("Somal"), which has a capacity of 7 MW electrical and 7 MW thermal. The acquisition was funded through MAXIM's internally generated cash to the extent of \$241 (150 Euro) and through the assumption of capital lease obligations of \$3,424 (2,135 Euro). For the purposes of reporting segmented information, Somal is included in the France segment.

The acquisitions were accounted for at fair value using the purchase method of accounting for business combinations and operating results from acquired facilities were recognized subsequent to the date of acquisition. The total purchase consideration, including acquisition costs, has been allocated as follows:

MAXIM POWER CORP.

Notes to Consolidated Financial Statements, Page 4

Three months ended March 31, 2009 and 2008

(Amounts in thousands of dollars except as otherwise noted, and shares and per share amounts)

5. Acquisitions (continued)

	Pittsfield	Beauprau	Forked River	Somal
Current assets	\$ 4,752	\$ 7	\$ 1,482	\$ -
Deposits	289	-	-	-
Property, plant and equipment	54,687	472	16,695	-
Intangibles	974	-	3,629	241
Equipment under capital leases	4,815	3,661	-	3,424
Future income taxes	308	-	-	-
	65,825	4,140	21,806	3,665
Bank indebtedness, net of cash	-	(111)	-	-
Other current liabilities	(1,243)	(192)	-	-
Capital lease obligation	(4,742)	(3,295)	-	(3,424)
Future income tax liability	-	(127)	-	-
Asset retirement obligation	(793)	-	(444)	-
	(6,778)	(3,725)	(444)	(3,424)
Total cash consideration including acquisition costs	\$ 59,047	\$ 415	\$ 21,362	\$ 241

6. Discontinued Operations

Effective June 1, 2008, the Corporation sold the 0.8 MW Gift Lake Power Plant ("Gift Lake") located in north-central Alberta. The disposition included the sale of all the generating equipment and spare parts inventory related to the plant. The proceeds from the sale of the assets resulted in total proceeds of \$885 and a pre-tax gain of \$552. For the purposes of the reporting of segmented information, the operations of Gift Lake were previously included in the Canada segment.

A summary of discontinued operations is as follows:

	Three months ended March 31,	
	2009	2008
Electricity sales	\$ -	\$ 55
Plant operations	-	(103)
General and administration	-	-
Depreciation and amortization	-	(5)
Loss before income taxes	-	(53)
Income tax expense:		16
Loss from discontinued operations	\$ -	\$ (37)

7. Inventory

	March 31, 2009	December 31, 2008
Coal	\$ 4,491	\$ 3,919
Fuel oil	2,523	2,528
Total inventory	\$ 7,014	\$ 6,447

The cost of inventories recognized as an expense in plant operations during the period was \$5,210 (2008 - \$4,236).

MAXIM POWER CORP.

Notes to Consolidated Financial Statements, Page 5

Three months ended March 31, 2009 and 2008

(Amounts in thousands of dollars except as otherwise noted, and shares and per share amounts)

8. Property, Plant and Equipment

March 31, 2009	Cost	Accumulated Depreciation	Net book value
Land	\$ 13,169	\$ -	\$ 13,169
Generating facilities – other	180,830	28,313	152,517
Generating facilities – tolling agreement	68,532	9,598	58,934
Office furniture and equipment	1,757	540	1,217
Assets under construction	10,598	-	10,598
Spare parts	9,042	-	9,042
Capital leases	48,036	9,447	38,589
	<u>\$ 331,964</u>	<u>\$ 47,898</u>	<u>\$ 284,066</u>

December 31, 2008	Cost	Accumulated Depreciation	Net book value
Land	\$ 12,778	\$ -	\$ 12,778
Generating facilities – other	175,445	24,920	150,525
Generating facilities – tolling agreement	66,563	8,614	57,949
Office furniture and equipment	1,718	478	1,240
Assets under construction	10,347	-	10,347
Spare parts	8,420	-	8,420
Capital leases	47,865	7,107	40,758
	<u>\$ 323,136</u>	<u>\$ 41,119</u>	<u>\$ 282,017</u>

9. Intangibles

March 31, 2009	Costs	Addition	Reclassified under Purchase Price Allocation	Accumulated Amortization	Net book Value
Coal supply contract	\$ 6,000	\$ -	\$ -	\$ 2,665	\$ 3,335
Power sale contracts	29,776	675	-	4,368	26,083
Ground lease contract	378	-	-	5	373
Acquisition costs	671	(8)	-	-	663
Other	221	205	-	-	426
	<u>\$ 37,046</u>	<u>\$ 872</u>	<u>\$ -</u>	<u>\$ 7,038</u>	<u>\$ 30,880</u>

December 31, 2008	Costs	Addition	Reclassified under Purchase Price Allocation	Accumulated Amortization	Net book Value
Coal supply contract	\$ 6,000	\$ -	\$ -	\$ 2,499	\$ 3,501
Power sale contracts	24,695	5,390	-	3,307	26,778
Ground lease contract	-	365	-	3	362
Acquisition costs	1,328	2,981	2,621	1,017	671
Other	-	221	-	-	221
	<u>\$ 32,023</u>	<u>\$ 8,957</u>	<u>\$ 2,621</u>	<u>\$ 6,826</u>	<u>\$ 31,533</u>

MAXIM POWER CORP.

Notes to Consolidated Financial Statements, Page 6

Three months ended March 31, 2009 and 2008

(Amounts in thousands of dollars except as otherwise noted, and shares and per share amounts)

10. Long-Term Debt

	March 31, 2009	December 31, 2008
Canada	\$ 28,996	\$ 30,133
United States	32,527	31,680
France	5,615	7,295
	67,138	69,108
Less deferred financing costs	(1,938)	(1,948)
	65,200	67,160
Less current portion	6,629	7,873
	\$ 58,571	\$ 59,287

The Corporation's anticipated repayment obligations as at March 31, 2009 on the above loans over the next five years are as follows:

2009	\$ 5,162
2010	6,926
2011	6,997
2012	7,018
2013	6,639
Remaining	34,396
	67,138

11. Capital Leases

During the three months ending March 31, 2009, MAXIM, through its French subsidiaries, has entered into a capital lease agreement related to production equipment. The lease bears interest at 5.14% with quarterly repayments and expires on March 10, 2016. Upon termination of the lease, there is a bargain purchase option.

Future minimum payments under the capital leases at March 31, 2009 are as follows:

2009	\$ 6,689
2010	9,387
2011	3,860
2012	2,998
2013	1,079
Remaining	3,900
Total minimum lease payments	27,913
Amounts representing interest	(4,020)
Present value of net minimum lease payments	23,893
Less: current portion	(7,893)
	\$ 16,000

MAXIM POWER CORP.

Notes to Consolidated Financial Statements, Page 7

Three months ended March 31, 2009 and 2008

(Amounts in thousands of dollars except as otherwise noted, and shares and per share amounts)

12. Share Capital

(a) Authorized:

Unlimited number of common shares without nominal or par value

Unlimited number of preferred shares

(b) Issued:

Share capital:

	Number	Amount
Common shares of MAXIM		
Balance, December 31, 2008	54,348,991	\$ 156,416
Normal course issuer bid (note 12 (c))	(93,500)	(301)
Common shares held for cancellation	(2,000)	(5)
Common shares, March 31, 2009	54,253,491	156,110
Contributed surplus		
Balance, December 31, 2008		5,322
Fair value of stock based compensation		656
Normal course issued bid (note 12 (c))		49
Contributed surplus, March 31, 2009		6,027
Balance, March 31, 2009	54,253,491	\$ 162,137

(c) Normal course issuer bid

MAXIM received approval on March 31, 2008 from the Toronto Stock Exchange (the "Exchange") to commence a normal course issuer bid. At MAXIM's discretion, the Corporation could purchase up to 2,220,000 (approximately 5% of its issued and outstanding common shares) of its common shares through the facilities of the Exchange at the prevailing market price during a twelve month period commenced on April 2, 2008. The bid was officially terminated on April 1, 2009. Any acquired common shares were cancelled and returned to treasury.

On March 30, 2009, MAXIM obtained an approval from the Exchange to commence a normal course issuer bid which commenced on April 2, 2009. The bid will terminate on April 1, 2010 or such earlier time as the bid is completed or terminated at the option of MAXIM. During the twelve month period, MAXIM is authorized to purchase up to 2,700,000 of its common shares through the facilities of the Exchange at the prevailing market price. Any acquired common shares will be cancelled and returned to treasury.

During the three month period, the Corporation purchased 95,500 shares and cancelled 147,500 shares. Subsequent to March 31, 2009, MAXIM had also purchased 36,000 shares.

(d) Stock options:

The Corporation has one employee stock option plan under which employees, directors and key consultants are eligible to receive grants. Under the stock option plan, the granted stock options vest to the grantee over a three year period and the grantee has the right to exercise those stock options for five years from the date of the granting. The maximum number of

MAXIM POWER CORP.

Notes to Consolidated Financial Statements, Page 8

Three months ended March 31, 2009 and 2008

(Amounts in thousands of dollars except as otherwise noted, and shares and per share amounts)

12. Share Capital (continued)

outstanding stock options under the plan is limited to 10% of the number of common shares outstanding. The number of stock options and the exercise price is set by the Corporation's Board of Directors based on market value at the time of granting.

Stock options issued and outstanding are as follows:

	Number	Weighted average exercise price
Balance, December 31, 2008	4,027,052	\$ 5.26
Forfeited	(133,000)	5.64
Granted	15,000	2.30
Balance, March 31, 2009	3,909,052	\$ 5.24

Details of the stock options outstanding at March 31, 2009 are as follows:

Range of Exercise Prices	Options Outstanding at March 31, 2009			Options Exercisable at March 31, 2009	
	Number of Options	Weighted average remaining contractual life (years)	Weighted average exercise price	Number of options	Weighted average exercise price
\$2.30 to \$3.50	628,625	4.57	\$ 2.69	-	\$ -
\$3.51 to \$5.99	1,499,393	2.83	\$ 4.80	675,061	\$ 4.22
\$6.00 to \$8.00	1,781,034	2.93	\$ 6.49	969,700	\$ 6.35
	3,909,052	3.16	\$ 5.24	1,644,761	\$ 5.48

The Corporation accounts for its stock option plan using the fair value method. Under this method, at March 31, 2009, \$629 (2008 - \$629) of costs are recorded as expense for options granted to employees and directors.

The fair value of each option granted is estimated at the date of grant using the Black-Scholes option pricing method with weighted average assumptions for grants at March 31, 2009 as follows:

Risk free interest rate (%)	2.38
Time to expiration (years)	5.00
Volatility (%)	50.00
Expected dividend	-

During the three month period, the Corporation granted 15,000 (2008 - nil) stock options to purchase common shares at an average price of \$2.30 (2008 - \$nil) under the Corporation's stock option plan and the weighted average fair value of each option was calculated to be \$1.05 (2008 - \$nil). The Corporation used the Black-Scholes option pricing model and the assumptions above to calculate the weighted average fair value.

MAXIM POWER CORP.

Notes to Consolidated Financial Statements, Page 9

Three months ended March 31, 2009 and 2008

(Amounts in thousands of dollars except as otherwise noted, and shares and per share amounts)

12. Share Capital (continued)

(e) Income per share:

The weighted average number of shares outstanding for purposes of calculating basic income per share at March 31, 2009 was 54,327,514 (44,384,929 at March 31, 2008).

For the March 31, 2009 fully diluted income per share calculation, nil (2008 – 125,059) shares were added to the average number of common shares outstanding during the period for the dilutive effects of exercisable stock options.

13. Risk Management Liabilities

(a) Cash flow hedge

On January 30, 2009, MAXIM entered into an interest rate swap agreement with the Bank of Montreal ("BMO"). This agreement effectively changes the BMO Facility B interest from a floating interest rate based on bankers' acceptances to a fixed interest rate of 1.99% plus stamping fees of 2.00% to 2.25%. This agreement is effective February 2, 2009 until May 31, 2012, which coincides with the maturity date of Facility B. The purpose and objective of swapping a floating rate of interest for a fixed rate of interest is to reduce the exposure of cash flow volatility caused by changes in the interest rate. All components of the change in fair value of this derivative have been included in the assessment of cash flow hedge effectiveness.

The derivative has been recorded at fair value at March 31, 2009. Fair value is the amount of consideration, which would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no obligation to act.

For the period ended March 31, 2009, a pre-tax unrealized loss of \$683 (2008 – nil), representing the fair value of the derivative, was recorded in other comprehensive income for the effective portion of the agreement. At March 31, 2009, there was not an ineffective portion of the derivative as a hedge and as a result, no amounts have been realized in earnings for the period.

(b) Foreign currency costless collar

MAXIM entered into a costless collar agreement with BMO for the purpose of selling U.S. dollars for a total aggregate amount of US\$5,000 for the period commencing March 2009 to December 2009. The range of the costless collar is \$1.21 to \$1.28. No amounts have been recognized into income as a result of this agreement as the fair value has been determined to be \$Nil.

14. Change in Non-Cash Working Capital

	2009	2008
Operations:		
Accounts receivable	\$ 8,024	\$ (3,498)
Prepaid expenses, deposits and other	(1,455)	(172)
Inventory	(479)	477
Accounts payable and accrued liabilities	231	11,365
Income taxes payable	2,398	6,355
Deferred revenue	354	-
	\$ 9,073	\$ 14,527

MAXIM POWER CORP.

Notes to Consolidated Financial Statements, Page 10

Three months ended March 31, 2009 and 2008

(Amounts in thousands of dollars except as otherwise noted, and shares and per share amounts)

14. Change in Non-Cash Working Capital (continued)

The following cash payments have been made to March 31:

		2009		2008
Taxes	\$	2,520	\$	1,241
Interest	\$	1,541	\$	1,285

15. Segmented Information

MAXIM is an independent power producer that develops, owns and operates power generation facilities through which it derives revenue from the sale of electricity, generation capacity and thermal energy. Details by geographic area are as follows:

	March 31, 2009		March 31, 2008	
	Revenue	Income before the following items*	Revenue	Income before the following items*
Canada	\$ 17,242	\$ 2,852	\$ 19,322	\$ 6,506
United States	11,406	4,092	4,080	(302)
France	26,628	1,495	24,012	4,004
Total	\$ 55,276	\$ 8,439	\$ 47,414	\$ 10,208

* As disclosed in the consolidated statements of Operations and Retained Earnings.

MAXIM's operations are impacted by seasonality. All French operations are cogeneration facilities and annually operate only from November through March. Operations in the United States not under tolling agreements function as peak power facilities and operate more frequently when heating and cooling requirements increase. Canadian operations are impacted when annual maintenance programs are performed. The annual maintenance programs are normally completed during the second quarter of each year.

The location of the Corporation's property, plant and equipment, excluding discontinued operations, are as follows:

	March 31, 2009		
	Acquisitions	PP&E Additions	Depreciation and Amortization
Canada	\$ -	\$ 1,200	\$ 1,848
United States	-	1,521	1,788
France	2,825	209	4,227
Total	\$ 2,825	\$ 2,930	\$ 7,863

	March 31, 2008		
	Acquisitions	PP&E Additions	Depreciation and Amortization
Canada	\$ -	\$ 6,907	\$ 1,266
United States	-	286	452
France	-	6	3,452
Total	\$ -	\$ 7,199	\$ 5,170

MAXIM POWER CORP.

Notes to Consolidated Financial Statements, Page 11

Three months ended March 31, 2009 and 2008

(Amounts in thousands of dollars except as otherwise noted, and shares and per share amounts)

15. Segmented Information (continued)

The allocation of the Corporation's total assets by geographic area, excluding discontinued operation, is as follows:

	March 31, 2009	December 31, 2008
Canada	\$ 113,109	\$ 116,650
United States	161,919	157,322
France	125,403	121,748
Total	\$ 400,431	\$ 395,720

The goodwill balance of \$15,632 (December 31, 2008 - \$15,632) is attributed to the Canadian segment of the Corporation.

16. Subsequent Events

On April 28, 2009, COMAX entered into a loan agreement with Banque Courtois to borrow 920 Euro to finance the acquisitions of Sebi and Chabossierre. This loan bears interest at 5.1% with monthly principle and interest payments of 13 Euro and matures in April 2016. Certain property, plant and equipment and land related lease contracts have been pledged as security along with insurance on certain officers of COMAX.

17. Comparative Figures

Certain comparative figures have been reclassified to conform with the financial presentation adopted for the current year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") dated May 14, 2009, should be read in conjunction with the unaudited interim consolidated financial statements for the three months ended March 31, 2009 for Maxim Power Corp. ("MAXIM" or "Corporation") and the audited annual consolidated financial statements for MAXIM for the fiscal year ended December 31, 2008.

FORWARD-LOOKING INFORMATION

Certain information in this MD&A is forward-looking and is subject to important risks and uncertainties. The results or events predicted in this information may differ materially from actual results or events. Factors which could cause actual results or events to differ materially from current expectations include the ability of the Corporation to implement its strategic initiatives, the availability and price of energy commodities, government and regulatory decisions, plant availability, competitive factors in the power industry and prevailing economic conditions in the regions that the Corporation operates. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "project", "predict", "potential", "could", "might", "should" and other similar expressions. The Corporation believes the expectations reflected in forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct. These forward-looking statements speak only to the date of this MD&A. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required pursuant to applicable securities laws.

Readers are cautioned that management's expectations, estimates, projections and assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. With respect to forward-looking statements contained within this MD&A, MAXIM has made the following assumptions:

- Future capital expenditures are estimates based upon planned maintenance projects at each facility.
- The development projects of Deerland, #14 Mine and Milner Expansion are based upon current estimates of capital cost along with projected returns on investment, the duration of the regulatory approval process, and the ability to obtain the necessary financing.
- Management estimates cash flows from operations will meet commitments and scheduled maintenance programs for the remainder of 2009. Management further provides estimates for net income, cash flow from operations, and earnings before interest, taxes and depreciation (EBITDA - refer to Non-GAAP Measure - EBITDA) for fiscal year ending December 31, 2009. These estimates are based upon current budgets and forecasts. Interruptions to production, higher than anticipated operating costs, lower realized electricity prices, unfavourable moves in interest rates and foreign exchange rates, failure of counterparties to meet their obligations, and various other factors may inhibit the Corporation from meeting its obligations.
- MAXIM has two credit facilities to support liquidity requirements of the Corporation. These facilities are margined on accounts receivable. The ability to draw on these facilities is therefore dependent upon operating performance.
- Management estimates the total cost to renovate the Sebi and Chabossiere facilities will be approximately EUR 6.2 million which will be funded entirely with debt financing.
- The Corporation estimates the cost of capital and development expenditures of \$12.0 million to be incurred in 2009. These costs are based upon estimates and may differ from the actual costs to complete.
- In determining potential development sites, management estimates future demand in that area for electricity. The future demand in these areas may be different than expected.

- MAXIM anticipates all necessary provincial, state and federal regulations for environmental and climate change legislation will be met. Changes to environmental legislation may affect the ability of MAXIM to comply with regulations.
- MAXIM anticipates that it will be able to comply with the requirement to implement International Financial Reporting Standards.
- Management believes the normal course issuer bid will enhance shareholder value.

OVERALL PERFORMANCE

MAXIM's 2009 first quarter results were MAXIM's best first quarter results in terms of revenue. These results were positively impacted by the full quarter results of the acquisitions of Forked River and Pittsfield generating stations and the two cogeneration facilities acquired in France during 2008 as well as increased generation from the HR Milner facility ("Milner"). These positive results were offset by lower average Alberta power prices during the quarter.

Performance Highlights

(\$000's except per share and generation amounts)	Q1, 2009	Q1, 2008
Revenue	55,276	47,414
EBITDA ⁽¹⁾	17,433	15,489
Net income – continuing operations	5,003	6,127
Basic and diluted net income per share – continuing operations	\$ 0.09	\$ 0.14
Net income (loss) – discontinued operations	-	(37)
Basic and diluted net loss per share – discontinued operations	\$ -	\$ 0.00
Net income for the period	5,003	6,090
Basic and diluted net income per share	\$ 0.09	\$ 0.14
Cash flows provided by operations	20,298	22,002
Total assets	400,431	301,814
Total long-term financial liabilities	78,087	75,242
Megawatt hours ("MWh") generated	335,009	295,546

⁽¹⁾ Selected annual financial information was derived from the audited consolidated financial statements for the most recent years with certain comparative figures reclassified to conform with the financial presentation adopted for the present year and is prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), except EBITDA. EBITDA is provided to assist management and investors in determining the Corporation's cash flow provided by operations before interest and does not have any meaning prescribed in Canadian GAAP and may not be comparable to similar measures presented by other companies. Refer to Non-GAAP measures - EBITDA for the reconciliation between this non-GAAP financial measure and comparable measures calculated in accordance with Canadian GAAP.

The key highlights from the first quarter of 2009 compared to the first quarter of 2008 were revenue of \$55.3 million, an increase of \$7.9 million or 16.6%, over 2008 revenue of \$47.4 million; EBITDA of \$17.4 million, an increase of \$1.9 million or 12.5%, over 2008 EBITDA of \$15.5 million; and net income of \$5.0 million, a decrease of \$1.1 million or 17.8% over 2008 net income of \$6.1 million. Generation production was 335,009 MWh, up 39,463 MWh or 13.4% over 2008 generation of 295,546 MWh. The increase in revenue and EBITDA reflect a full quarter of operating results from the acquisition of the Pittsfield and Forked River generating stations and the two cogeneration facilities in France as well as additional production from Milner. The decrease in net income is the result of an increase in depreciation and amortization as a result of the acquisitions made in 2008 along with an increased interest expense from a higher average debt balance.

The quarter over quarter comparison also reflects lower average Alberta power price during the first quarter of 2009 of \$63 per MWh versus \$77 per MWh for the same quarter of 2008, a decrease of \$14 per MWh. The average price realized for electricity generated by Milner was \$67 per MWh in the first quarter of 2009, compared to \$76 per MWh in the same quarter of 2008, a decrease of \$9 per MWh.

MAXIM successfully closed the acquisitions of Sebi and Chabossiere cogeneration facilities on February 27, 2009. These acquisitions add 16 MW of electrical production to the French portfolio. MAXIM plans to repower these facilities for a cost of EUR 6.2 million and redeploy the existing engines into MAXIM's capacity fleet in France, which will add an additional 10.8 MW of electrical and 10.8 MW of thermal capacity.

During the first quarter, MAXIM filed and received approval from the Toronto Stock Exchange ("TSX") for a normal course issuer bid ("NCIB") commencing on April 2, 2009 which allows MAXIM to purchase up to 2.7 million of its outstanding common shares. MAXIM believes the purchase of its common shares will enhance value for existing shareholders with the normal course issuer bid funded through MAXIM's internal cash resources.

RESULTS OF OPERATIONS

Summary of first quarter 2009 and 2008 generation by location (MWh)

Facility	Q1, 2009 MWh	% of 2009 MWh	Q1, 2008 MWh	% of 2008 MWh
Canada – Milner power plant	235,822	70.4%	224,375	75.9%
Canada – other power plants	16,087	4.8%	22,529	7.6%
United States	3,898	1.2%	3,518	1.3%
France	79,202	23.6%	44,448	15.0%
Total – Continuing Operations	335,009	100.0%	294,870	99.8%
Discontinued Operations	-	-	676	0.2%
Total MWh Generation	335,009	100.0%	295,546	100.0%

- The table excludes Basin Creek, Forked River, and Alberta Power Projects ("APP") as these facilities provide capacity in exchange for monthly capacity payments.

MAXIM's generation capacity at March 31, 2009 was 773 MW which was comprised as follows: 192 MW in Canada (8 power plants), 433 MW in the United States (5 power plants) and 148 MW in France (24 power plants). At March 31, 2008, MAXIM's generation capacity was 492 MW.

Revenue

Summary of MAXIM's revenue by form of sales contract

(\$000's)	March 31, 2009	March 31, 2008
Tolling or capacity payments at fixed prices	4,096	1,992
Electricity sales at spot prices per MWh	33,245	25,604
Combined fixed capacity and sale of electricity	17,474	12,641
Electricity sales at fixed prices per MWh	461	7,177
Total	55,276	47,414

The acquisition of the Pittsfield facility resulted in the increase in the "combined fixed capacity and sale of electricity". The Forked River acquisition resulted in the increase in the "tolling or capacity payments at fixed prices". The increase in revenue from "electricity sales at spot prices per MWh" of \$7.6 million during the first quarter of 2009 was due to selling the production from Milner and the increased production at the French facilities at spot market prices. During 2008, MAXIM elected to operate certain France facilities in dispatch mode, which resulted in the 2009 increases and decreases to the categories of "combined fixed capacity and sale of electricity" and "electricity sales at fixed prices per MWh" respectively.

Summary of MAXIM's revenue by geographic location

(\$000's)	March 31, 2009	March 31, 2008
Canada	17,242	19,322
United States	11,406	4,080
France	26,628	24,012
Total	55,276	47,414

Revenue increased by \$7.9 million from \$47.4 million for the first quarter of 2008 to \$55.3 million for the first quarter of 2009. The increase was primarily due to the aforementioned acquisitions that added 266 MWs of capacity in the second and third quarters of 2008. This increase in revenue was offset by lower Alberta power prices which averaged \$63 per MWh during the first quarter of 2009 compared to \$77 per MWh during the first quarter of 2008.

Canadian operations generated revenue of \$17.2 million during the first quarter of 2009, compared to \$19.3 million for the same quarter of 2008, a decrease of \$2.1 million. Milner, on a stand alone basis, recorded \$15.7 million of revenue in 2009 compared to \$17.3 million in 2008, a decrease of \$1.6 million or 9.2%. The decrease was primarily due to the lower average Alberta power price realized in 2009 of \$67 per MWh compared to \$76 per MWh in 2008. The decrease in the other Canadian facilities was the result of both lower Alberta power prices and lower production due to maintenance activities at certain facilities.

Revenue from the United States increased by \$7.3 million to \$11.4 million during the first quarter of 2009 versus \$4.1 million for the same quarter of 2008. This increase in revenue is attributed to the acquisitions of Forked River and Pittsfield generating stations in the second and third quarter of 2008 respectively along with the benefit of a strong US dollar compared to the Canadian dollar in the first quarter of 2009 compared to 2008.

MAXIM's French power plants contributed \$26.6 million of revenue in the first quarter of 2009 compared to \$24.0 million in the prior year. The increase reflects a full quarter of operations from the two plants acquired in April 2008. Production was 79,202 MWh in the first quarter of 2009 compared to 44,448 MWh for the first quarter of 2008. The increase in production is attributed to MAXIM's election to operate certain units in "cogeneration mode" versus "dispatch mode" which resulted in higher run hours. The quarter also benefited from the strength of the EUR compared to the Canadian dollar.

Plant operations

Plant operation expenditures – period ended March 31

(\$000's)	March 31, 2009			March 31, 2008		
	Fuel	O&M	Total	Fuel	O&M	Total
Canada	5,105	5,877	10,982	4,545	5,943	10,488
United States	1,327	4,653	5,980	1,455	2,423	3,878
France	12,702	7,938	20,640	10,642	5,628	16,270
Total	19,134	18,468	37,602	16,642	13,994	30,636
Percent	51%	49%	100%	54%	46%	100%

Plant operations expense increased by \$7.0 million or 22.7%, from \$30.6 million in the first quarter of 2008 to \$37.6 million in 2009. The 2009 increase was due to the full quarter impact from the acquisition of the four facilities purchased in 2008 and the strength of both the US dollar and the EUR.

Canadian fuel costs increased in 2009 to \$5.1 million versus \$4.5 million in 2008, an increase of \$0.6 million or 12.3% as a result of higher fuel consumption and coal prices at Milner. On a per MWh basis, Canadian fuel costs were \$20.27 per MWh in the first quarter of 2009 compared to \$18.41 per MWh for the same quarter of 2008. The increase reflects inflation allowed under fuel contracts and higher natural gas costs from higher consumption for Milner's operations. Milner purchases coal under a fixed price contract that requires MAXIM to purchase an annual minimum quantity at a price per tonne that escalates annually based on inflation.

Plant operation costs in the United States increased \$2.1 million from \$3.9 million in the first quarter of 2008 to \$6.0 million in 2009. Operating and maintenance costs increased to \$4.7 million in the first quarter of 2009 from \$2.4 million in the first quarter of 2008 as a result of the acquisitions of Forked River and Pittsfield generating stations in the second and third quarters of 2008 respectively and were unfavorably impacted as a result of the strength of the US dollar in the quarter.

France fuel costs were \$12.7 million in the first quarter of 2009, compared to \$10.6 million in first quarter of 2008, an increase of \$2.1 million or 19.4%. This increase is due to higher gas consumption resulting from the election to have more facilities run in "cogeneration mode" versus than "dispatch mode" coupled with the additional facilities purchased in 2008. Fuel costs were also negatively impacted by the strength of the EUR versus the Canadian dollar in the quarter. Operating and maintenance costs increased by \$2.3 million from \$5.6 million in the first quarter of 2008 to \$7.9 million in the same quarter of 2009. The increase is the result of the 2008 acquisitions and the strength of the EUR in the quarter.

General and administration

(\$000's)	2009	2008
Total general and administration	1,372	1,400

General and administration ("G&A") expense of \$1.4 million was comparable for the first quarters of 2009 and 2008, reflecting a similar level of activity during each quarter.

Depreciation

(\$000's)	2009	2008
Total depreciation	7,863	5,170

Depreciation expense increased to \$7.9 million in the first quarter of 2009, from \$5.2 million in the first quarter of 2008. The quarter-over-quarter increase of \$2.7 million is attributed to the addition of four generating facilities in 2008 which occurred in the second and third quarters and the capitalized costs associated with the extended Milner turnaround, which occurred in the second quarter of 2008.

MAXIM reviews its facilities for indicators of impairment on a quarterly basis and will test for impairment when these reviews indicate that impairment may have occurred. It was determined that there was no impairment at its facilities in the first quarters of 2009 and 2008.

Interest expense

(\$000's)	2009	2008
Long-term debt	1,068	951
Capital lease obligation	508	272
Other	26	13
Total	1,602	1,236

MAXIM incurred interest expense of \$1.6 million in the first quarter of 2009, compared to \$1.2 million for the same quarter of 2008. Interest expense is comprised of interest on long-term debt, capital lease obligations and long-term contracts. The overall increase in interest expense in the first quarter of 2009 was due to higher levels of long-term debt and capital lease obligations related to addition of French cogeneration plants during 2008 and 2009 and increased debt to finance the extended 2008 Milner turnaround. Changes in market interest rates did not have a material effect on interest expense as a significant portion of the long term debt and capital lease obligations have fixed rates of interest.

Other Income

(\$000's)	2009	2008
Other income	937	-

Other income of \$0.9 million in the first quarter of 2009 represents compensation from a supplier for lost production at one French cogeneration facility.

Income taxes

(\$000's)	2009	2008
Current tax expense	4,908	7,470
Future tax recovery	(1,943)	(4,514)
Total	2,965	2,956

The first quarter income tax provision in 2009 was \$3.0 million compared to \$3.0 million for the first quarter of 2008. The effective tax rate increased from 32.4% for the first quarter of 2008 to 37.9% for the first quarter of 2009. This increase is due to a higher proportion of U.S. earnings compared to Canadian and France earnings as a result of the aforementioned acquisitions with U.S. earnings subject to higher tax rates than either of these other two countries.

Net income

(\$000's)	2009	2008
Net loss from discontinued operations	-	(37)
Net income	5,003	6,090

Net income for the first quarter of 2009 was \$5.0 million or \$0.09 per share (basic and diluted) compared to net income of \$6.1 million or \$0.14 per share (basic and diluted) for the first quarter of 2008, a decrease of \$1.1 million.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

MAXIM utilizes existing cash, cash flows from operations and revolving credit facilities to provide liquidity to the Corporation, to finance maintenance-of-business capital expenditures, and finance development initiatives up to the permit stage. MAXIM plans for significant maintenance initiatives and preserves cash and credit through its revolving credit facilities to finance these initiatives. In certain years it is possible that capital requirements will exceed these sources of financing. In these situations, MAXIM will arrange for debt financing as was done in 2008 to finance the capital expenditures related to the Milner turnaround. The current cash flow from operations is sufficient to meet future commitments and scheduled maintenance programs to maintain current generating capacity.

MAXIM has the capacity under the BMO debt facility to draw up to \$10.0 million based upon the Corporation's accounts receivable balance. At March 31, 2009, MAXIM had \$1.9 million outstanding on this facility by way of letters of credit. In France, MAXIM obtained a working capital facility with a French bank to provide financing up to EUR 0.8 million and is repayable upon collection of certain accounts receivable balances. MAXIM had no amounts outstanding on this balance as at March 31, 2009. These facilities are available to the Corporation to provide short term financing when unforeseeable events occur.

MAXIM also requires capital (debt and equity) to finance development initiatives beyond the permit stage and for larger acquisitions. The current economic financial crisis places limitations on the ability of the Corporation to secure debt and equity financing. MAXIM is able to manage the timing of its acquisition and development initiatives to reduce liquidity risk.

The following table shows how the activities of the Corporation were financed.

(\$000's)	2009	2008
Cash on hand, January 1	11,791	20,167
Cash flow from operations	20,298	22,002
Cash flow from financing	(5,082)	12,953
Available for investments	27,007	55,122
Cash flow used in investing	(5,960)	(7,701)
Effect of foreign exchange rates on cash (unrealized)	(362)	894
Cash on hand, March 31	20,685	48,315

The decrease in cash flow from operations is the result of lower Alberta power prices offset by cash flow from the acquisitions of Forked River and Pittsfield generating stations, and the two facilities in France in 2008.

During 2009, MAXIM realized a net financing outflow of cash of \$5.1 million. MAXIM drew \$0.7 million through a capital lease at its wholly owned French subsidiary and repaid \$2.5 million on the capital lease obligations during the quarter. This capital lease obligation is the only change during the quarter to the contractual obligations of the Corporation as reported in the annual Management Discussion and Analysis dated March 27, 2009. The Corporation has also repaid \$2.9 million relating to long-term debt. MAXIM acquired 95,500 common shares for \$0.3 million through a normal course issuers bid ("NCIB").

In the first quarter 2008, MAXIM obtained net financing of \$13.0 million. MAXIM drew \$14.9 million through its BMO Facility B and repaid \$0.9 million on the facility during the quarter. The Corporation has also repaid \$1.2 million relating to capital lease obligations. MAXIM issued 29,000 common shares as a result of the exercise of stock options for net proceeds of \$0.1 million.

During 2009, MAXIM spent \$6.0 million on investing activities. These activities included \$2.8 million on the acquisition of the Sebi and Chabossiere cogeneration facilities in France, \$2.9 million on capital expenditures at various facilities and \$0.2 million on development projects included in intangible assets.

In the first quarter 2008, MAXIM spent \$7.7 million on investing activities. These activities included \$7.2 million on capital expenditures and \$0.5 million on acquisition projects.

The following table represents the net capital of the Corporation.

(\$000's)	March 31, 2009	December 31, 2008
Long-term debt	65,200	67,160
Capital lease obligation	23,893	26,077
Less: Cash	(20,685)	(11,791)
Net debt	68,408	81,446
Shareholders' equity	247,748	239,952
Net capital	\$ 316,156	\$ 321,398
Net debt to capital	21.6%	25.3%

The Corporation uses net debt to monitor leverage. The decrease in net debt in 2009 is the result of the scheduled debt repayments on the credit and lease facilities along with the generation of cash from operations. The increase in shareholders' equity in the year is the result of operations.

During 2008, MAXIM obtained regulatory approval from the TSX to purchase up to 2,220,000 common shares for cancellation under a NCIB during the twelve month period commencing April 2, 2008. Beginning April 2, 2009, MAXIM received TSX approval to purchase 2,700,000 over a twelve month period ending April 1, 2010. During the first quarter of 2009, MAXIM had purchased 95,500 common shares at an average price of \$2.69 for a total cost of \$0.3 million. Of the 95,500 common shares purchased, 2,000 remained in treasury at March 31, 2009. Subsequent to quarter end, MAXIM has purchased 36,000 common shares at an average price of \$2.89 per share for a total cost of \$0.1 million.

As at March 31, 2009, MAXIM was in compliance with all externally imposed financial debt covenants on all of its credit facilities.

Working capital

(\$000's)	March 31, 2009	December 31, 2008	Change
Cash	\$ 20,685	\$ 11,791	\$ 8,894
Accounts receivable	35,245	42,288	(7,043)
Prepaid expenses, deposits and other	2,553	1,733	820
Inventory	7,014	6,447	567
Accounts payable and accrued liabilities	(37,391)	(37,662)	271
Income taxes payable	(4,613)	(2,221)	(2,392)
Deferred revenue	(354)	-	(354)
Current portion of long-term debt	(6,629)	(7,873)	1,244
Current portion of capital lease contracts	(7,893)	(7,725)	(168)
Current portion of long-term contracts	(213)	(441)	228
Current portion of future income tax liability	-	(3,479)	3,479
Current portion of risk management liability	(216)	-	(216)
	\$ 8,188	\$ 2,858	\$ 5,330

Working capital at the end of the quarter increased \$5.3 million to \$8.2 million in 2009 from \$2.9 million in 2008. The lower Alberta power pool price, which averaged \$43 per MWh in March 2009 compared to \$88 per MWh in December 2008, has resulted in a decrease in accounts receivable. Prepaid expenses have increased \$0.8 million during the quarter resulting from the deposits and partial payments made on supplies required for the 2009 Milner turnaround. MAXIM increased its inventory of coal during the period as a result of higher purchase volumes compared to the rate of consumption. The decrease in the current portion of long-term debt of \$1.2 million is the result of regular debt payments and the settlement of the France working capital credit facility. The increase in the income taxes payable of \$2.3 million and the reduction of the current portion of future income tax liability of \$3.5 million for a net change of \$1.2 million is related to the lower income earned during the first quarter of 2009.

SELECTED QUARTERLY FINANCIAL INFORMATION

Financial Quarter Ended (Unaudited)

(\$000's except per share and per MWh amounts)	2009	2008			2007			
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Revenue	55,276	53,429	31,042	14,797	47,414	37,945	33,616	18,979
EBITDA ⁽¹⁾	17,433	18,251	11,189	(5,536)	15,489	12,223	15,322	2,883
Net income (loss) from continuing operations	5,003	7,520	3,804	(6,639)	6,129	2,210	8,304	(180)
Net gain (loss) from discontinued operations	-	-	-	537	(39)	128	(33)	(27)
Net income (loss)	5,003	7,520	3,804	(6,102)	6,090	2,338	8,271	(207)
Basic and diluted income (loss) per share – continuing operations	\$0.09	\$0.15	\$0.08	\$(0.15)	\$0.14	\$0.05	\$0.19	\$(0.01)
Basic and diluted loss per share – discontinued operations	-	-	-	\$0.01	-	-	-	-
Basic and diluted income (loss) per share	\$0.09	\$0.15	\$0.08	\$(0.14)	\$0.14	\$0.05	\$0.19	\$(0.01)
Total assets	400,431	395,720	337,380	281,193	301,814	260,196	234,013	227,264
Average Alberta electricity price per MWh	\$ 63	\$ 95	\$ 80	\$ 108	\$ 77	\$ 62	\$ 92	\$ 50
Average Milner realized electricity price per MWh	\$ 69	\$ 98	\$ 85	\$ 98	\$ 77	\$ 73	\$ 94	\$ 52

⁽¹⁾ Refer to Non-GAAP – EBITDA measure below for reconciliation of EBITDA to comparable measure calculated in accordance with GAAP. Selected quarterly unaudited financial information was prepared in accordance with Canadian GAAP except EBITDA.

Quarter over quarter revenue, EBITDA and net income are affected by planned and unplanned outages, market demand, market prices, timing of acquisitions, weather conditions, and acquisitions and divestitures. Revenue, EBITDA and net income are generally higher in the first and fourth quarters as a result of the seasonal operations of the French facilities as the French cogeneration season operates from the start of November through to the end of March. In the first quarter of 2009 and the fourth quarter of 2008, MAXIM recorded higher revenue and EBITDA as a result of the 2008 acquisitions of the Forked River and Pittsfield generating stations and two French cogeneration facilities. This was partially offset by the lower Milner realizing an average power price of \$69 per MWh in 2009 compared to \$98 per MWh in the fourth quarter of 2008. MAXIM recorded lower revenue, EBITDA and net income in the second quarter of both 2008 and 2007 as the result of the timing of the annual Milner turnaround. In 2008, Milner had an extended eight week turnaround that resulted in a further reduction of revenue, EBITDA and net income, which was offset by the acquisition of Forked River during the second quarter of 2008. In the third quarter of 2008, Milner realized an average power price averaged \$85 per MWh compared to the 2007 average of \$94 MWh, resulting in the reduction of revenue, EBITDA and net income, which was offset by the acquisition of the Pittsfield facility on August 5, 2008.

NON-GAAP MEASURE - EBITDA

(\$000's)	Q1, 2009	Q1, 2008
GAAP Measures from Consolidated Statements of Operations and Retained Earnings		
Net income for the period	5,003	6,090
Net loss from discontinued operations	-	37
Income taxes	2,965	2,956
Interest expense	1,602	1,236
Depreciation and amortization	7,863	5,170
Non-GAAP measure – EBITDA	17,433	15,489

EBITDA is provided to assist management and investors in determining the Corporation's cash flow provided by operations before interest and does not have any meaning prescribed in Canadian GAAP and may not be comparable to similar measures presented by other companies.

OUTLOOK

Guidance

MAXIM's results are significantly impacted by Alberta spot power prices. In preparing its guidance, management uses Alberta forward electricity prices as a proxy for Alberta spot electricity prices. The market for forward contracts is relatively illiquid and forward prices may not be a good predictor of settled prices as they may not factor in events such as unplanned outages that can cause a significant increase in settled power prices. Notwithstanding, MAXIM prepares its guidance using forward electricity prices from independent sources. Management has determined that it is necessary to update its guidance due to a reduction in forward electricity prices in Alberta.

Updated 2009 guidance

(\$000's, except per share amounts)	Original Guidance	Updated Guidance
EBITDA	63,000	48,000
Net income	23,000	14,500
Per share - basic and diluted	\$ 0.42	\$ 0.27
Cash provided by operations	45,000	42,000
Per share - basic and diluted *	\$ 0.82	\$ 0.78

* Share data per assumptions.

The guidance provided herein is based on the following assumptions:

(\$000's, except as otherwise noted)	Original Guidance	Updated Guidance
Electricity deliveries (MWh)	1,390,000	1,330,000
Net generation capacity at year ending (MW)	757	773
Capital expenditures (excluding acquisitions)		
HR Milner	4,000	4,000
Other assets	6,000	6,000
Development projects	2,000	2,000
Average Alberta spot electricity price	\$ 82.00	\$ 59.00
Average annual foreign exchange rates		
C\$/USD	\$ 1.09	\$ 1.20
C\$/EUR	\$ 1.60	\$ 1.50
Weighted average shares outstanding (000's)	54,574	54,182

The 2009 forecast assumes all sales of Milner output at Alberta spot market prices. In France, the cogeneration season ends on March 31, 2009 and a new season begins on November 1, 2009. There are no acquisitions assumed to take place during 2009 other than the two France facilities acquired in February 2009 and the Corporation is not exposed to refinancing risk in 2009. MAXIM continues its development initiatives related to its Milner expansion project and the #14 Mine project. In addition, the 2009 forecast assumes turnaround maintenance will occur in the first half of the year at both Milner and CDECCA, and in late fall at Pawtucket. The Milner turnaround is expected to last twenty-seven days in 2009, which is significantly shorter than the extended turnaround of eight weeks in 2008.

Operations

During the quarter, MAXIM acquired the Sebi and Chabossiere cogeneration facilities increasing MAXIM's generating capacity from 757 MW electric to 773 MW electric. Of these amounts, 157 MW of electric capacity is exposed to Alberta spot electricity prices during 2009. With the acquisition of Sebi and Chabossiere, MAXIM has twenty-four facilities in France for a total generating capacity of 149 MW electrical and 123 MW thermal. The next French cogeneration season begins November 1. MAXIM has initiated the process to extend the original twelve-year power sales contracts with Electricité de France ("EdF") for the 8 MW D'Arnas facility and anticipates this process will be concluded prior to November 1, 2009. Under current rules, the EdF contracts can be renewed for an additional twelve years upon investing EUR 350 per kilowatt towards improvement of the facilities.

MAXIM continued its strategy to carry out Milner's annual turnaround during the second quarter of the year which is when Alberta power prices are typically at their lowest during the year. The 2009 turnaround began on April 22 and is expected to last twenty-seven days. This is significantly shorter than the extended turnaround of eight weeks that was carried out in 2008.

Milner Power Limited Partnership's ("MPLP") supply of thermal coal to the Milner Facility is primarily sourced and subject to Coal Valley Resources Inc.'s ("CVRI") ability to mine and deliver thermal coal from the Coal Valley mine located in Grande Cache, Alberta. In July of 2008, MPLP exercised its option to extend the term of the coal supply agreement ("CSA") for an additional five years expiring on December 31, 2013. The price of coal during the extension term is established in the CSA and reflects an annual inflation adjustment over the prior years' price. The contract price for coal is below the current market price. It is CVRI's view that it has the right to initiate a price review and has given notice to MPLP that it wishes to review the price for the extension term. It is MAXIM's view that the price review can only be initiated if anticipated operating costs at the Coal Valley mine would not allow its profitable operation at the price levels set out in the CSA. MAXIM does not believe this condition has been satisfied and does not believe a price review is warranted under the CSA. If this condition was satisfied, pricing could be adjusted to an amount that provides the Coal Valley mine with a reasonable level of profit over its anticipated operating costs. CVRI has referred this matter to arbitration. If the parties are unable to reach an agreement, the arbitration will likely occur in 2009.

Acquisition and development initiatives

MAXIM will continue its strategy of an independent power producer ("IPP") and is targeting growth through acquisitions and development of power plants in markets of Western Canada, United States and France. MAXIM will target opportunities with generating capacity of 50 MW or greater, except in France where MAXIM's distributed generation platform targets power plants which are smaller scale.

Demand for electricity will be the key fundamental factor in determining whether to pursue opportunities in a market. Demand is highly correlated to economic growth within the market. Under the current global financial market conditions, Alberta's oil and gas industry could realize reduced development which would then impact the growth and demand for electricity. Furthermore, IPP's may have obstacles to acquire capital to pursue growth objectives.

MAXIM received regulatory approvals from the Alberta Utilities Commission and Alberta Environment in June 2008, to construct and operate the Deerland Peaking Station, a 190 MW natural gas-fired peaking facility. The station will be located immediately adjacent to the existing Deerland high voltage substation in Alberta's industrial heartland, an area expected to experience significant growth in electrical demand. MAXIM has an option to lease up to thirty acres of land for the station. This is an attractive asset as it provides land for future expansion. MAXIM expects peaking requirements to continue to grow to meet overall demand growth and to provide firm backup for additional intermittent wind resources. Construction of the facility is expected to take approximately twelve months once the key commercial arrangements necessary to support construction have been concluded.

The process of obtaining mine permit and licenses is continuing for the development of the underground #14 Mine. The technical review phase has been completed and MAXIM has entered the approvals phase with the Energy Resources Conservation Board ("ERCB") and Alberta Environment.

MAXIM is also proposing to develop a new generating facility at the existing Milner location with the addition of 500 MW of clean coal-fired generating capacity. Environmental and engineering studies were completed in the third quarter of 2008. MAXIM filed its regulatory applications with the Alberta Utilities Commission and Alberta Environment in January of 2009. The regulatory review process is expected to last up to fifteen months.

MAXIM requires capital (debt and equity) to finance development initiatives beyond the permit stage and for larger acquisitions. The current economic and financial conditions place limitations on the ability of the Corporation to secure debt and equity financing. MAXIM maintains the flexibility to manage the timing of its acquisition and development initiatives. MAXIM accounts for its development projects as assets under construction under property, plant, and equipment. Capitalization of costs associated with these projects commences once technical and economic feasibility is established and recovery of the cost is reasonably regarded as more likely than not. If a project were to no longer meet these criteria, any capitalized costs for the project would be expensed in the period.

ENVIRONMENTAL AND CLIMATE CHANGE LEGISLATION

Provincial and state regulations

Pursuant to the Climate Change and Emissions Act (Alberta) which became effective on July 1, 2007, MAXIM is required to limit the production of carbon dioxide at the Milner facility to an approved baseline. MAXIM was fully compliant with its first quarter 2009 baseline and was not obligated to make payments to the Alberta government's technology fund in the first quarter of 2009.

In 2006, the Alberta government enacted regulations under the Environmental Protection and Enhancement Act (Alberta) to specify target sulphur dioxide and nitrous dioxide emissions from industrial operations. Milner is affected by these regulations and is required to reduce its nitrous dioxide emissions by 75 percent commencing in 2013. MAXIM has determined that the most cost-effective means of achieving the targets for the three-year period of 2013 to 2015 is to take early action through an investment of approximately \$3.7 million in 2009, with reductions of nitrous dioxide prior to 2013 being

used to satisfy target reductions in 2013. MAXIM continues to monitor nitrous dioxide emissions to ensure the appropriate measures are taken to meet externally imposed targets.

On January 24, 2008 the Government of Alberta announced a new climate change plan that is intended to cut Alberta's projected 400 million tonnes of emissions by 50 percent by 2050. To achieve this target, the plan focuses on carbon capture and storage, conservation and energy efficiency, and "greener" energy production. MAXIM continues to assess the impact of the plan on its operations and acquisition and development initiatives.

The Corporation's facilities in the northeast U.S. are subject to the Regional Greenhouse Gas Initiative ("RGGI"). During 2008 the Corporation purchased 26,000 tonnes of allowances, which were adequate to cover the generation during the quarter. Management will monitor future generation levels and acquire allowances as necessary to comply with RGGI.

Federal government regulations

On April 26, 2007 the Government of Canada unveiled its action plan to reduce greenhouse gases and air pollution. The proposed framework for the Clean Air Regulatory Agenda ("CARA") targets stabilization then reduction of greenhouse gases and air pollutants. Short-term targets are to be expressed as reductions from 2006 levels. For existing facilities, emission "intensity" reduction targets are to be based on an improvement of 6% each year from 2007 to 2010 (for cumulative reduction of 18% of 2006 levels by 2010). Every year thereafter, a 2% continuous emission-intensity improvement will be required, resulting in an industrial emission-intensity reduction of 26% by 2015. Companies, including MAXIM, are expected to meet their obligations by reducing their own emissions, contributing to a technology fund, using emissions trading or offsets, or by using a one-time credit for verifiable "early" action undertaken between 1992 and 2006. On March 10, 2008 the Government of Canada released draft regulations addressing GHG emissions. The date that the finalized regulations will be issued is uncertain at this time. More recently, the federal government announced its intention to require new coal-fired facilities to include technology to capture and store greenhouse gas emissions and to establish an emissions and cap-and-trade system.

There are indications that the U.S. federal government is moving to take active steps to reduce greenhouse gas emissions. Various pieces of federal legislation that would limit greenhouse gas emissions have been introduced in the U.S. Congress, some form of which may be enacted at some point in the future. The U.S. Environmental Protection Agency ("EPA") has proposed to find that greenhouse gases (six gases included carbon dioxide) endanger the public health and welfare of current and future generations. While the details of this emerging legislative regime are still in a state of flux, the outcome could have a material effect on the Corporation's operations, cash flows, and financial condition.

In the European Union, there exists a policy based on a principal of "polluter pays". Clean technologies and energy efficiency and energy conservation measures are important considerations, given the dense population and high energy demands in Europe. The Corporation's operations in France meet all current emission guidelines and the Corporation is not aware of any new legislation or environmental policies impacting current guidelines.

Climate change legislation continues to evolve. MAXIM does not have sufficient information to fully assess the financial implications of this area of legislation on the Corporation. The cost of compliance may be recovered through sales or through commercial opportunities that mitigate additional costs. If climate change legislation burdens coal-fired generation with significant new taxes that cannot be recovered from the market and there are not economic or commercial opportunities to reduce these taxes by investing in technology, efficiency and/or offsets, then management believes that MAXIM still has material value propositions in non-generation activities such as its metallurgical quality coal resource and possibly significant potential carbon offset values if Milner were to be decommissioned.

CHANGES IN ACCOUNTING POLICIES

Effective January 1, 2009, the Corporation adopted the new recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook accounting requirements for Goodwill and Intangible Assets

(Section 3064) which replaced CICA Handbook for Goodwill and Other Intangible Assets (Section 3062). Section 3064 provides guidance on the recognition of intangible assets, as well as, the recognition and measurement of internally developed intangible assets. As a result of these new requirements, the company has found it necessary to specify a policy for assets under construction.

Assets under construction are projects undertaken by the Corporation. Costs include third party charges as well as specific direct costs. Capitalization of costs associated with these projects commences once technical feasibility is established and if the recovery of the cost is reasonably regarded as assured. If the project is subsequently abandoned, all costs are expensed in the period. Costs associated with assets under construction has been reclassified from deferred charges to Property, Plant and Equipment to accommodate the change in accounting policy.

During the quarter, deferred costs associated with acquisitions have been reclassified to intangible assets. This reclassification is to accommodate the change in accounting policy.

International financial reporting standards ("IFRS")

On February 13, 2008, the CICA Accounting Standards Board ("AcSB") confirmed publicly accountable enterprises will be required to adopt IFRS in place of Canadian generally accepted accounting principles ("GAAP") for interim and annual reporting purposes for fiscal years beginning on or after January 1, 2011 with comparative information required for 2010. MAXIM is currently assessing the effect of IFRS on its accounting policies, financial statements, internal controls, information systems and business activities and is unable to determine the impact of adopting IFRS on its financial statements at this time.

MAXIM has developed a changeover plan which includes an initial assessment, detailed assessment and implementation phases. The Corporation has completed the initial assessment, which includes certain training initiatives, researching and documenting the significant differences between Canadian GAAP and IFRS, and a preliminary assessment of the information technology systems. Although Canadian GAAP and IFRS have certain similarities, significant differences exist which may have a high impact to the Corporation's financial reporting. Those areas include, but are not limited to, property, plant and equipment, cash generating units, business combinations, future income taxes, and provisions under IFRS-1 First Time Adoption of IFRS.

MAXIM is currently in the detailed assessment stage. Work groups have been assigned various financial statement line items and these groups are focused on identifying detailed differences and assessing the impact on the Corporation. The detailed testing and implementation of IFRS, along with employee training and designing internal controls to support IFRS are expected to be completed by the end of 2009. In 2010, MAXIM expects to run parallel between Canadian GAAP and IFRS with a full IFRS implementation by January 1, 2011.

CONTROLS AND PROCEDURES

The President and Chief Executive Officer ("CEO") and the Vice President, Finance and Chief Financial Officer ("CFO"), together with management have designed and maintained disclosure controls and procedures to provide reasonable assurance that: (i) material information relating to the Corporation is made known to the CEO and the CFO by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation. Such officers have concluded that the Corporation's disclosure controls and procedures are not effective for the foregoing purposes due to the weakness discussed below for internal control over financial reporting.

The CEO and the CFO are also responsible for designing and maintaining internal control over financial reporting, as defined under rules adopted by the Canadian Securities Administrators, within the Corporation which are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles ("GAAP"). MAXIM has adopted the Internal Control – Integrated

Framework published by the Committee of Sponsoring Organizations (COSO Framework) for the design of its internal controls over financial reporting.

The CEO and CFO have identified the following material weakness in the operation of the Corporation's internal control over financial reporting as of March 31, 2009. The Corporation does not have a sufficient number of finance personnel with the required technical knowledge to address all complex accounting and tax issues that may arise and this may result in inaccuracies in financial reporting. Management mitigates this weakness from time to time by utilizing outside consultants for assistance as required to the fullest extent reasonable or by developing in-house expertise or recruiting personnel with the necessary expertise; however, such mitigating procedures do not constitute a compensating control for the purposes of National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings. The Corporation has determined that it is not cost-effective to fully remediate this weakness and accordingly a weakness will continue in the foreseeable future. As a result of this weakness, certain amounts previously reported for the first quarter 2008 have been restated as follows: (i) Future tax assets decreased by \$1.5 million, (ii) Accumulated other comprehensive income increased by \$167 thousand, and (iii) Net income decreased by \$134 thousand. There has been no impact on amounts reported for the first quarter of 2009.

MAXIM completed the acquisition of the Pittsfield facility on August 6, 2008. Management has designed and implemented internal control over financial reporting for the Pittsfield facility, but has not completed an assessment of its effectiveness. Management will assess the effectiveness of its internal control over financial reporting by June 30, 2009. Summary financial information for Pittsfield is as follows:

Pittsfield summary financial information

(\$000's)	
Total assets as at March 31, 2009	81,620
Capital lease obligations as at March 31, 2009	4,183
Revenue for the quarter ended March 31, 2009	4,348
EBITDA for the quarter ended March 31, 2009	2,977
Net income for the quarter ended March 31, 2009	2,009

The Corporation is required to disclose herein any change in the Corporation's internal control over financial reporting that occurred during the period beginning on January 1, 2009 and ended on March 31, 2009 that has materially affected, or is reasonably likely to materially affect, the Corporation's internal controls over financial reporting. No material changes in the Corporation's internal controls over financial reporting were identified during such period that has materially affected, or are reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

TRANSACTIONS WITH RELATED PARTIES

There were no transactions with related parties during the first quarter of 2009 or 2008.

SUBSEQUENT EVENTS

On April 28, 2009, MAXIM's wholly owned subsidiary, Comax France S.A.S. ("COMAX") entered into a loan agreement with Banque Courtois to borrow EUR 920 thousand to finance the acquisitions of Sebi and Chabossierre. This loan bears interest at 5.1% with monthly principle and interest payments of EUR 13 thousand and matures in April 2016. Certain property, plant and equipment and land related lease contracts have been pledged as security along with insurance on certain officers of COMAX.

OTHER INFORMATION

Outstanding Share Data

Issued common shares at December 31, 2008	54,348,991
Normal course issuer bid	(93,500)
Total issued common shares at May 12, 2008	54,255,491
Normal course issuer bid	(38,000)
Outstanding share options	3,909,052
Total diluted common shares at May 12, 2008	58,126,543

Additional information relating to MAXIM including the Annual Information Form is posted on SEDAR at www.sedar.com under Maxim Power Corp. and at the Corporation's website www.maximpowercorp.com.