

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") dated August 10, 2006, should be read in conjunction with the unaudited interim consolidated financial statements for the six months ended June 30, 2006 for Maxim Power Corp ("MAXIM" or "Corporation") and the audited annual financial statements for MAXIM for the fiscal year ended December 31, 2005.

OVERVIEW

The statements of operations and retained earnings and the statements of cash flows reflect the operating results of both MAXIM and Milner Power Limited Partnership ("MPLP") for the six month period ended June 30, 2006 and the statements of operations and retained earnings and statements of cash flows at June 30, 2005 reflects six months of operating results of MPLP plus three months of operations of MAXIM. The consolidated balance sheets at June 30, 2006 and December 31, 2005 reflect the accounts of both MAXIM and MPLP.

OVERALL PERFORMANCE

MAXIM recorded a net loss of \$4.5 million for the second quarter of 2006 and a net loss of \$0.7 million for the first six months of 2006. The net loss was the result of the decision to commence the Milner annual plant turnaround during a period when power prices are generally the lowest in the year. The turnaround commenced on April 28 and was completed on June 8. In the past, Milner completed its annual turnaround in the third quarter. In prior years, both the second and third quarters generated reduced operating results for MAXIM in the absence of French cogeneration operations which do not begin until November 1 and Maxim completing various maintenance programs at its other facilities.

Milner operated throughout April, 2006 but generated the lowest average Alberta power price, \$43 per megawatt hour ("MWh"), of the first six months of 2006. As Milner did not operate principally during the month of May, Milner bypassed May's relatively low average Alberta power price of \$56 per MWh with expectations that prices would be greater during the third quarter when Milner had completed its plant turnaround in past years. Alberta power prices have been strong during the first month of the 2006 third quarter, averaging \$128 per MWh during July.

Highlights for the second quarter include the start-up of operations at the 52 MW Basin Creek project on May 16, completion of a major portion of the European divestiture program for 1.35 million Euro, locating a buyer for the Cambodian generation assets and completing construction of the Vancouver Landfill expansion project. To date, Basin Creek has been dispatched more frequently than anticipated while not experiencing any start-up problems.

MAXIM's 2006 first quarter net income of \$3.8 million was more than offset by the second quarter net loss of \$4.5 million which included a provision of \$1.6 million for turnaround expenses at Milner. In comparison, MPLP had net income of \$1.6 million during the first quarter of 2005 and MAXIM contributed an insignificant net loss during the second quarter of 2005.

With the Milner turnaround starting at the end of April, MWh generation decreased by 174,933 MWh from 328,550 MWh in the first quarter of 2006 to 153,617 MWh in the second quarter. By comparison, the first quarter of 2005 recorded MWh generation of 235,966 MWh (Milner alone) and 241,209 MWh in the second quarter of 2005. On a year over year comparison at June 30, 2006, total generation output was 482,167 MWh versus 477,175 MWh for 2005, an increase of 4,992 MWh or 1%. The affect of the Milner turnaround was offset by increased power production in France from 8 new plants.

Excluding Assets Held for Sale, funds from operations for the six months ended June 30, 2006 decreased by \$2.3 million, \$3.6 million versus \$5.9 million, compared to the same period in 2005. The majority of the decrease can be attributed to 2006 Milner turnaround expenses of \$1.6 million.

MAXIM's net generation capacity at June 30, 2006 was 364 MW which was comprised as follows: 184 MW in Canada (9 projects), 117 MW in the United States (2 projects) and 63 MW in France (10 projects). At June 30, 2005, MAXIM's net generation was 240 MW and increased to 364 MW a year later with the development of Basin Creek, Bataneres and the acquisition of Pawtucket.

RESULTS OF OPERATIONS

As stated previously, the results of operations reflect those of MPLP and MAXIM while the results for the first six months of 2005 are comprised of six months of operations of MPLP plus three months of MAXIM.

Summary of June 30, 2006 MWh generation by major facility and geographic location:

Facility	2006 Q2 MWh	% of 2006 Q2 MWh	2006 YTD MWh	% of 2006 YTD MWh
Milner	127,680	83.1	359,561	74.6
Alberta projects (2)*	7,665	5.0	16,815	3.5
British Columbia projects (2)	12,949	8.4	25,097	5.2
United States - Pawtucket	5,323	3.5	6,441	1.3
France (10)	nil	nil	74,253	15.4
Total	153,617	100.0 %	482,167	100.0 %

* The table excludes Basin Creek and 25 MW Alberta Power Project ("APP") (4 sites) as both facilities provides capacity in exchange for monthly capacity payments.

Revenue

2006 year-to-date revenue increased by \$16.0 million, \$41.2 million versus \$25.2 million, compared to 2005. The increase is principally attributed to MAXIM's acquisition of 7 French projects (combined 54 MW) in June, 2005 which began operations on November 1, 2005 and contributed a full three months of revenue in the first quarter of 2006.

Comparing second quarter revenue, 2006 was \$9.8 million versus \$13.7 million for 2005, a decrease of \$3.9 million. The decrease was due to Milner starting its turnaround on April 28. Milner MWh generation during the second quarter of 2006 was 127,680 MWh compared to 219,173 MWh for the same period in 2005, a reduction of 91,493 MWh.

Average Alberta power prices have remained relatively consistent during 2006. The average Alberta power price was \$54 MWh during the second quarter of 2006 and \$57 MWh during the first quarter of 2006. In comparison, the average Alberta power price was \$51 MWh during the second quarter of 2005 and \$46 MWh during the first quarter of 2005. For the first six months of 2006, the average Alberta power price was \$55 MWh to June 30 compared to 2005 of \$49 MWh, an increase of 12%. The improvement over 2005 somewhat offset the reduction in MWh production.

On a stand alone basis, Milner recorded year-to-date revenue of \$19.7 million for 2006 versus \$23.2 million for 2005, a decrease of \$3.5 million or 15% and \$6.2 million of second quarter revenue in 2006 versus \$11.7 million in 2005, a decrease of \$5.5 million or 47%. For 2006, Milner entered into a power purchase arrangement to sell approximately 18.5 MW of power to a counterparty at a firm price. To date, the firm price has been greater than 2006 average Alberta power prices.

MAXIM's other projects produced 25,937 MWh in the second quarter of 2006 compared to 22,036 MWh during the same quarter of 2005. Year-to-date, MAXIM's other projects produced 122,606 MWh during 2006 compared to 22,036 MWh during 2005 as MAXIM began to recognize MWh generation from its other projects after the reverse take-over effective March 31, 2005.

Plant Operations

2006 plant operations expense increased by \$17 million or 103%, from \$16.6 million in 2005 to \$33.6 million for 2006. On a per MWh basis, year-to-date plant operations expense was \$69.70 per MWh during 2006 versus \$34.70 per MWh during 2005. This increase is due to recognizing fuel expense from 10 French projects and Milner turnaround costs. French fuel expense is also recovered through revenue.

Fuel is the major component of plant operations expense. MAXIM's fuel costs accounted for 49% of 2006 plant operations expense for the first six months of 2006 compared to 55% in 2005. Milner maintenance and turnaround costs during the second quarter of 2006 reduced the impact of fuel as a percentage of plant operations expense. Coal is the principle source of fuel at Milner and is purchased at fixed prices under a long-term supply agreement and supplemented with monthly purchases from another supplier.

General and Administration

General and administration ("G&A") expense of \$3.6 million during the six months of 2006 was higher by \$1.2 million than G&A expense of \$2.4 million for the same period of 2005. The higher G&A costs were attributed to the combined results of MPLP and MAXIM for six months in 2006. 2006 second quarter G&A expense of \$2.0 million was \$0.4 million higher than the 2005 second quarter G&A expense of \$1.6 million. The increase was primarily due to the acquisition and development of 8 French projects in 2005 and the increase in MAXIM's North American generating capacity after June 30, 2005.

Depreciation

Depreciation expense increased to \$3.2 million for the period ending June 30, 2006 compared to \$1.3 million for the same period in 2005. Depreciation expense for the second quarter of 2006 was \$1.4 million compared to \$0.8 million for the second quarter of 2005. The year-to-date increase primarily reflects the inclusion of MAXIM facilities and the quarter over quarter increase was the result of MAXIM's acquisition and development of 124 MW of generation capacity since June 30, 2005.

Depreciation of the Basin Creek facility began as the facility commenced operations on May 16, 2006. Basin Creek will be depreciated over a period of 20 years, coinciding with its commercial agreements. There have been no changes to depreciation policy except during the first quarter of 2006, the French generation equipment was re-assessed to have an economic life of 18 years rather than the original contract life of 12 years.

Interest expense and Interest income

At June 30, 2006 all debt facilities are in compliance with their respective loan agreements. Interest expense is related to corporate debt facilities with BMO Bank of Montreal, Basin Creek construction, three project financings in France and capital lease obligations at Hartland and France.

To June 30, 2006, MAXIM incurred \$1.0 million of interest expense compared to \$0.3 million at June 30, 2005, an increase of \$0.7 million. During the second quarter of 2006, MAXIM recorded \$0.6 million of interest expense compared to \$0.4 million for the same quarter of 2005, an increase of \$0.2 million. Both increases are due to additional project financing at Basin Creek, Bataneres and VLF since June 30, 2005 and the capital lease obligation in France with the acquisition of 7 French projects on June 22, 2005.

With start-up on May 16, 2006 Basin Creek ceased to capitalize interest. Basin Creek's US\$28.0 million of construction financing has been converted to a term loan facility at July 1, 2006 with an interest rate of 6.95% per annum and quarterly repayments of principal and interest.

Net loss from Assets Held for Sale

MAXIM's projects in Cambodia, Austria and Germany have been classified as Assets Held for Sale for 2006 and 2005. On April 15, 2006, MAXIM completed the sale of European assets for 1.35 million Euro which resulted in a nominal loss during the second quarter of 2006. It is expected the remaining German development projects will be sold by the end of the third quarter of 2006 for proceeds of 0.5 million Euro resulting in a nominal gain.

Cambodian operations ceased as of June 30, 2006 and the plant equipment will be sold in the third quarter of 2006 (see Proposed Transactions and Subsequent Events – Divestitures). It is anticipated the equipment sale along with the cost of winding up the Cambodian operations during the third quarter will not result in a significant gain or loss for MAXIM.

For the three and six months ending June 30, 2006 and 2005, Assets Held for Sale have reflected a net loss of approximately \$0.3 million in each period.

Income taxes

MAXIM has provided for a deferred income tax provision of \$0.2 million for the first six months of 2006 compared to the re-stated deferred income tax provision of \$1.6 million for the first six months of 2005. With the Milner turnaround occurring during the second quarter of 2006 and the recognition of associated turnaround expenses, MAXIM recorded a pre-tax loss resulting in recognition of a second quarter income tax reduction in 2006.

Net Income

Year-to-date net loss at June 30, 2006 was \$0.7 million or \$0.02 per share, versus June 30, 2005 net income of \$2.7 million or \$0.09 per share.

SELECTED QUARTERLY FINANCIAL INFORMATION

2006 Financial Quarter Ended (Unaudited)

	June 30, 2006	Mar 31, 2006
(\$000's except per share amounts)		
Revenue	9,776	31,470
EBITDA	(4,202)	8,207
Net income (loss)	(4,523)	3,783
Net income (loss) per share	(0.10)	0.09
Total assets	187,606	205,631
Average Quarterly Alberta Price per MWh	\$54	\$57

2005 Financial Quarter Ended (Unaudited)

(\$000's except per share amounts)	Dec 31, 2005	Sept 30, 2005	June 30, 2005	Mar 31, 2005 *
Revenue	39,907	8,931	13,681	11,480
EBITDA	20,530	(456)	3,054	3,141
Net income (loss)	10,438	(1,595)	(7)	2,731
Net income (loss) per share	0.29	(0.05)	0.00	0.11
Total assets	196,829	157,651	158,162	103,860
Average Quarterly Alberta Price per MWh	\$117	\$67	\$51	\$46

* Reflects results of operations from MPLP only.

Selected quarterly unaudited financial information was prepared in accordance with Canadian generally accepted accounting principles. 2005 revenue and EBITDA have been restated for the effect of Assets Held for Sale and 2005 net income was restated for deferred income taxes of \$1.5 million.

The increase in revenues, EBITDA and net income during the first and fourth quarter reflect the seasonal operations of the French plants as the French cogeneration season operates from the start of November through to the end of March. In addition, the fourth quarter of 2005 was a record quarter for MAXIM as Alberta power prices averaged \$117 per MWh. The lower revenue and EBITDA and net losses incurred at September 30, 2005 and June 30, 2006 were due to annual plant turnarounds completed at Milner during those quarters.

LIQUIDITY AND CAPITAL RESOURCES

a) Capital Expenditures

At June 30, 2006, MAXIM had \$9.2 million of property, plant and equipment ("PP&E") expenditures compared to gross PP&E expenditures of \$37.4 million at June 30, 2005. \$5.6 million of the 2006 year-to-date PP&E expenditures were incurred during the second quarter compared to \$3.6 million during the first quarter. The 2006 year-to-date expenditures relate to completion of construction at Basin Creek for \$6.7 million and construction of the Vancouver Landfill ("VLF") expansion project for \$2.5 million. The PP&E expenditures during the first half of 2005 reflected the beginning of development of the Basin Creek project for \$25.3 million and the \$11.0 million acquisition of 7 French projects on June 22, 2005. The Basin Creek project was placed in service on May 16, 2006 and began to receive full contractual terms on July 1, 2006. The VLF expansion project is fully constructed and will be placed in service on August 15, 2006.

In addition, MAXIM continues to develop the Milner Mine 14 lease and incurred \$0.65 million of expenditures during the first half of 2006 with projected expenditures of approximately \$2.5 million in 2006. Mine 14 costs are classified as Deferred Costs.

b) Working Capital

Working capital at June 30, 2006 was \$19.4 million, a decrease of \$3.6 million from March 31, 2006 working capital of \$23.0 million. The decrease reflects Milner beginning its annual plant turnaround on April 28, 2006 and incurring 2006 turnaround expenses in the second quarter versus during the third quarter of the prior year.

In comparison, the working capital deficiency at June 30, 2005 was \$17.0 million primarily the result of \$28.9 million of interim financing provided by three major shareholders of MAXIM. The 2005 interim financings were required to fund the beginning of construction at Basin Creek and acquisition of 7 French cogeneration projects. The working capital deficiency was eliminated with the closing of a \$35.0 million private placement in November, 2005. At December 31, 2005, working capital improved to \$16.4 million.

c) Canadian Credit Facilities

At June 30, 2006, MAXIM has combined credit facilities of \$26.5 million with BMO Bank of Montreal. The BMO Bank of Montreal credit is comprised of five facilities (Facilities A through E). Except for Facility C and Facility E, the loans are demand in nature, bearing various rates of interest and are available for working capital purposes or new project development.

Both Facility A and Facility B have not been utilized during 2006 as MAXIM's internal cash flow was sufficient to support existing operations and development opportunities.

Facility C is a non-revolving reducing fixed rate term loan bearing interest at 6.79% per annum with blended monthly repayments as well as quarterly repayments based on available cash flow. At June 30, 2006 Facility C has an outstanding balance of \$5.6 million.

Facility E is a non-revolving reducing term loan with floating interest rates. MAXIM was advanced \$7.5 million under Facility E and an additional \$2.0 million will be advanced to MAXIM in August, 2006 with the start-up of operations from the VLF expansion. The total outstanding balance for Facility E is \$7.0 million at June 30, 2006. At June 30, 2006 the credit facilities are in compliance with the BMO Bank of Montreal credit agreement.

d) Long-Term Debt outside Canada

There were no new issuances of long-term debt during the first six months of 2006 except for additional draws on the construction loan of US\$8.3 million at Basin Creek.

Under a US\$29 million construction and term loan facility, MAXIM utilized US\$28.0 million (\$31.2 million Cdn) of the facility as of June 30, 2006 for the construction of Basin Creek. Under the terms of the construction agreement, advances were made at US treasury rate plus 2.5% per annum. On July 1, 2006 the outstanding construction loans were converted to a term loan with an interest rate of 6.95% per annum with quarterly principal and interest repayments. The term loan is to mature in 20 years on July 1, 2026. The amount committed under the construction and term loan facility was reduced by US\$1.0 million with the issuance of an irrevocable letter of credit to secure a natural gas transportation agreement.

Three project financings in France are through the Raiffeisen Zentrelbank Osterreich Aktiengesellschaft AG ("RZB") bank. Each of the project financings have an interest rate of Euribor plus a margin ranging from 1.8% to 2.75% and are non-revolving. Each of the RZB loans has similar terms and covenants and a maturity of 12 years to coincide with the 12 year power purchase agreements with Electricite de France. At June 30, 2006, the three French projects had an outstanding balance of 5.2 million Euro (\$7.4 million Cdn).

e) Capital Lease Obligations

MAXIM has agreed to lease equipment at the Hartland facility, located near Victoria, British Columbia, from the Capital Regional District. The lease obligation bears interest at 6.5% per annum and is repayable on a monthly basis over a 20 year term. At June 30, 2006, the outstanding balance of this lease obligation was \$1.7 million.

In conjunction with the acquisition of the French projects in June, 2005, MAXIM assumed a capital lease obligation of \$3.2 million with Caterpillar Finance in France for production equipment. The capital lease bears interest at 7.03% per annum with monthly repayments over a 12 year term. Upon termination of the lease, MAXIM has the option to purchase the leased equipment at an option price of \$0.6 million. At June 30, 2006 the outstanding balance of the French lease obligation was \$2.9 million.

f) Cash Flow Indenture

Under the terms of the acquisition agreement and a cash flow indenture, MPLP will pay annually to the Balancing Pool 20% of cash flows to a maximum of \$15 million over the life of the indenture. The obligation is non-interest bearing and MPLP has pledged accounts receivable as collateral for the payments due under the cash flow indenture. The current portion at June 30, 2006 was nil compared to \$4.9 million at December 31, 2005. The balance at December 31, 2005 is reflective of a full year of cash flow from Milner and the balance at June 30, 2006 reflects the reduced cash flow from Milner as a result of the timing of the 2006 plant turnaround. During the first quarter of 2006, MPLP repaid \$4.9 million of the 2005 obligation to the Balancing Pool. At June 30, 2006 MPLP has \$7.4 million remaining from the original \$15.0 million obligation under the cash flow indenture.

h) Equity Issuances

There were no equity issuances during the first six months of 2006 and 2005 other than those common shares issued under MAXIM's stock option plan and MAXIM's acquisition of Milner Power Limited Partnership ("MPLP") on March 31, 2005. On March 31, 2005 MAXIM completed its acquisition of MPLP with the issuance of 24,239,858 common shares.

During the second quarter of 2006, stock options were exercised for proceeds of \$0.1 million compared to the first quarter of 2006 which garnered proceeds of \$0.6 million. During the second quarter of 2005, proceeds of \$0.7 million were received from the exercising of stock options.

PROPOSED TRANSACTIONS AND SUBSEQUENT EVENTS

a) Divestitures

Effective March 31, 2006, MAXIM's projects in Cambodia, were classified as Assets Held for Sale. MAXIM and its 49% joint venture partner in Cambodia have decided to sell all plant equipment with the expiration of the power purchase agreement ("PPA") with the Cambodian state-owned utility on June 30, 2006. After analyzing various bids for the remaining equipment during the second quarter, a purchaser was selected and a sales agreement has been executed. Gross proceeds of USD\$2.2 million (MAXIM's 51% interest, USD\$1.1 million) for the equipment at Phnom Penh, will be realized in the third quarter of 2006. Included in the proceeds are funds to offset costs incurred for dismantling, packing and shipping the equipment. Future decommissioning and wind-up costs at Cambodia are expected to be minimal during the third quarter. It is anticipated the wind-up of the Cambodian operations will be completed by September 30, 2006 with no significant gain or loss on wind-up.

In addition, MAXIM continues to negotiate the sale of German development opportunities that were classified as Assets Held for Sale on December 31, 2005. These German assets are in addition to the sale of MAXIM's wholly owned subsidiaries, Maxim Power GmbH (Austria) and Maxim Power GmbH (Germany) on April 15, 2006, which resulted in proceeds of 1.35 million Euro. MAXIM expects the German development opportunities to attract proceeds of approximately 0.5 million Euro which should result in a nominal gain by the end of 2006.

b) Acquisitions

On July 5, 2006, MAXIM entered into an agreement to purchase Capital District Energy Centre Cogeneration Associates (“CDECCA”) for nominal cash consideration. The purchase will close once regulatory approval is received. CDECCA is a 67 MW natural gas fired combined cycle cogeneration plant located in Hartford, Connecticut and provides peaking energy to the state of Connecticut. In addition, CDECCA has two contracts to provide steam and chilled water.

On July 19, 2006, MAXIM’s wholly owned French subsidiary, Comax France S.A.S., purchased the 5.2 MW Canteleu cogeneration plant in France. The acquisition was completed for cash consideration of 0.75 million Euro and the assumption of 3.0 million Euro debt. France is MAXIM’s only core market outside of North America. In MAXIM’s opinion, France continues to be one of the best markets for cogeneration, offering long-term contracts with creditworthy counterparties and an emerging deregulated wholesale energy market. Canteleu is similar to MAXIM’s other 10 projects in France and will operate during the French cogeneration season, November through March.

c) Development

MAXIM completed its 1.8 MW expansion at VLF on July 7, 2006 and the expansion will become ready for use on August 15, 2006. The expansion increased VLF’s generation capacity to 7.4 MW. The generation of electricity and sale of thermal energy from the expansion will be sold under the existing 20 year agreements with BC Hydro and Hothouse Growers respectively.

OUTLOOK

At June 30, 2006, MAXIM has 151 MW of its total net installed capacity of 364 MW exposed to Alberta spot prices. For the month of July, 2006 the Alberta average power price was \$128 MWh which was the highest average power price since January, 2001. For comparative purposes, the fourth quarter of 2005 experienced an average power price of \$117 MWh. For the remainder of 2006, it is anticipated that Alberta forward prices will be in the range of \$70 to \$75 MWh with estimates for 2007 to be in the range of \$64 to \$68 MWh. However, Alberta power prices can be volatile. Should forward prices be realized at these levels for the remainder of 2006, the resulting revenue will more than offset the second quarter revenue at an average price of \$54 MWh lost during the turnaround. Furthermore, it is expected that Milner will achieve normal run-times during the last half of 2006.

Seasonality will continue to impact MAXIM’s third quarter as the French projects do not resume operations until November 1. However, the new facilities, Basin Creek and Pawtucket, will help reduce the seasonality factor at MAXIM. The Basin Creek project has commenced full contractual terms at July 1 and will receive full contracted capacity payments under its agreement with NorthWestern Corporation (“NorthWestern”). From May 16 through June 30, 2006, Basin Creek received reduced capacity payments. Annually, Pawtucket is normally dispatched during the third quarter, primarily to provide electricity for cooling requirements in the New England region. Both Basin Creek and Pawtucket are peaking power facilities and to date have been dispatched more frequently than budgeted. In addition to capacity payments from NorthWestern, Basin Creek also receives additional revenues when dispatched. With the acquisition of CDECCA which operates on a similar basis as Pawtucket, the seasonality factor should be reduced during the third quarter.

Recent developments within the New England market could potentially increase cash flows from Pawtucket and CDECCA. The FERC rendered a favorable ruling to promote investment in new and existing power plants to fulfill increasing power demands. Beginning December 2006, a capacity payment of US\$3.05 per kilowatt per month will be paid to existing power producers. It is expected that the basis for these capacity payments will increase in future years.

As previously mentioned, Cambodian operations have ceased at June 30, 2006 with the expiry of the PPA. The Cambodian owned equipment has been sold and operations will be virtually wound up by September 30, 2006. At this date, it is also expected that the remaining German business development opportunities will be sold and MAXIM will have completed its divestiture program and continue to focus on various asset optimization strategies for its existing facilities.

Subsequent to the acquisition of CDECCA, which currently awaits regulatory approval, MAXIM will continue to give higher priority to those acquisitions that are 50MW or greater of generation capacity. The exception to opportunities greater than 50MW is France where cogeneration projects are of smaller scale such as the Canteleu facility.

Milner will continue exploitation of Milner Mine 14 lease which contains an estimated 13 million tonnes of recoverable coal reserves. Milner has completed the marketing review, transportation study and the majority of environmental fieldwork. Milner has budgeted to increase activity to develop the coal lease during the third quarter of 2006 and development drilling will commence during the last six months of 2006 as all drilling permit approvals have been received. The development of the Milner coal reserves could serve as the source of fuel for Milner and any future expansion.

OTHER INFORMATION

On April 13, 2006, MAXIM effected the consolidation of its issued and outstanding common shares on the basis of 1 new common share for each 10 common shares issued and outstanding. The common shares commenced trading on the Toronto Stock Exchange on a post-consolidation basis at the open of markets on April 18, 2006. The following outstanding share data reflects the consolidation of issued common shares and outstanding share options. There is an insignificant adjustment to the below number of issued common shares due to the rounding of fractional shares.

Outstanding Share Data

Issued common shares at December 31, 2005	43,758,709
Exercised share options and adjustment	129,926
Total issued common shares at August 10, 2006	43,888,635
Outstanding share options	2,845,050
Total diluted common shares at August 10, 2006	46,733,685

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

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 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 of 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.