Quarterly Report of

MAXIM POWER CORP.

Third Quarter Ended September 30, 2006 and 2005
(unaudited)

Form 52-109F2 – Certification of Interim Filings

I, John R. Bobenic, the Maxim Power Corp. Chief Executive Officer, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Maxim Power Corp., (the issuer) for the interim period ending September 30, 2006;

2. Based on my knowledge, 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. Based upon my knowledge, 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 and for the periods presented in the interim filings;

4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures for the issuer, and we have:

    a. Designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared.

Date: November 10, 2006

"Signed"

John R. Bobenic
President & CEO

#1210, 715 – 5th Avenue S.W.
Calgary, Alberta, Canada T2P 2X6
Ph 403.263.3021 Fax 403.263.9125

Form 52-109F2 – Certification of Interim Filings

I, Victor S. Dusik, the Maxim Power Corp. Chief Financial Officer, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Maxim Power Corp., (the issuer) for the interim period ending September 30, 2006;

2. Based on my knowledge, 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. Based upon my knowledge, 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 and for the periods presented in the interim filings;

4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures for the issuer, and we have:

    a. designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared.

Date: November 10, 2006

"Signed"

Victor S. Dusik
Vice President, Finance & CFO

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Calgary, Alberta, Canada T2P 2X6
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MAXIM POWER CORP.

Consolidated Balance Sheets
(In Thousands of Dollars)

	September 30, 2006 (unaudited)	December 31, 2005 (see basis of presentation - note 1)
Assets		
Current assets:		
Cash and cash equivalents (note 2)	$ 27,368	$ 23,309
Accounts receivable	12,926	20,656
Prepaid expenses, deposits and other	484	586
Coal inventory	1,603	1,860
Plant inventory	3,698	1,667
Assets held for sale (note 3)	1,419	3,384
	47,498	51,462
Property, plant and equipment (note 5)	132,444	116,991
Assets held for sale (note 3)	579	4,113
Deferred costs	5,586	3,274
Coal contract	5,000	5,500
Goodwill	15,489	15,489
	$ 206,596	$ 196,829
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 9,371	$ 22,612
Liabilities of assets held for sale (note 3)	637	3,495
Current portion of long-term debt (note 6)	3,434	3,452
Current portion of capital lease obligations (note 7)	1,089	609
Current portion of cash flow indenture (note 8)	3,386	4,863
Current portion of long-term contracts (note 9)	1,984	-
	19,901	35,031
Long-term debt (note 6)	47,526	40,932
Capital lease obligations (note 7)	6,764	4,291
Cash flow indenture (note 8)	3,991	7,374
Long-term contracts (note 9)	3,603	-
Future income tax liability	11,186	6,752
Deferred revenue	127	236
Non-controlling interest	144	-
Asset retirement obligation	335	321
Shareholders' equity:		
Share capital (note 10)	92,012	90,331
Cumulative translation adjustment	(2,591)	(2,684)
Retained earnings	23,598	14,245
	113,019	101,892
Subsequent events (note 13)		
	$ 206,596	$ 196,829

See accompanying selected notes to interim consolidated financial statements.

MAXIM POWER CORP.

Interim Consolidated Statements of Operations and Retained Earnings

Nine months ended September 30, 2006 and 2005
(In Thousands of Dollars)
(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2006	2005	2006	2005
Revenue:				
Electricity sales	$ 29,521	$ 8,931	$ 70,767	$ 34,092
Expenses:				
Plant operations	11,717	8,119	45,324	24,677
General and administration	614	1,268	4,248	3,676
Depreciation and amortization	2,185	841	5,393	2,132
	14,516	10,228	54,965	30,485
Income (loss) before the following items	15,005	(1,297)	15,802	3,607
Interest expense	1,143	614	2,159	948
Interest income	(121)	-	(413)	-
Foreign exchange loss (gain)	(70)	71	45	86
Income (loss) before income taxes from continuing operations	14,053	(1,982)	14,011	2,573
Future income taxes (reduction)	3,832	(724)	4,038	826
Non-controlling interest	(6)	-	144	-
Net income (loss) from continuing operations	10,227	(1,258)	9,829	1,747
Net loss from assets held for sale (note 3)	(134)	(562)	(476)	(843)
Net income (loss) for the period	10,093	(1,820)	9,353	904
Retained earnings, beginning of period	13,505	5,402	14,245	2,678
Retained earnings, end of period	23,598	3,582	23,598	3,582
Basic and diluted income (loss) per share	$ 0.23	$ (0.05)	$ 0.21	$ 0.03

See accompanying selected notes to interim consolidated financial statements.

MAXIM POWER CORP.

Interim Consolidated Statements of Cash Flows

Nine months ended September 30, 2006 and 2005
(In Thousands of Dollars)
(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2006	2005	2006	2005
Cash provided by (used in):				
Operations:				
Net income (loss) from continuing operations	$ 10,227	$ (1,258)	$ 9,829	$ 1,747
Items not involving cash:				
Depreciation and amortization	2,185	841	5,393	2,132
Foreign exchange loss	-	71	-	86
Asset retirement obligation	7	2	14	4
Fair value of stock based compensation	637	56	1,056	112
Non-controlling interest	(6)	-	144	-
Future income taxes (reduction)	3,832	(734)	4,038	796
	16,882	(1,022)	20,474	4,877
Change in non-cash working capital (note 11)	(3,687)	6,820	(4,529)	1,195
Cash flow from continuing operations	13,195	5,798	15,945	6,072
Net loss from assets held for sale	(134)	(562)	(476)	(843)
Items not involving cash:				
Depreciation and amortization	-	548	728	1,095
Loss on disposal of assets	-	-	165	-
Foreign exchange loss	32	38	32	38
Loss from equity investment	-	207	16	369
Change in non-cash working capital	(527)	(1,618)	(1,125)	(1,261)
Cash flow from assets held for sale	(629)	(1,387)	(660)	(602)
	12,566	4,411	15,285	5,470
Financing:				
Issuance of long-term debt	538	3,048	9,568	30,479
Repayment of long-term debt	(758)	(1,084)	(2,992)	(1,556)
Repayment of advances from Finning	-	-	-	(12,069)
Advances from related parties	-	-	-	29,686
Repayment to related parties	-	-	-	(4,500)
Repayment of lease obligation	(327)	(43)	(622)	(55)
Loans payable	-	-	-	3,690
Issuance of common shares	92	75	787	809
Cash flow from continuing financing activities	(455)	1,996	6,741	46,484
Repayment of long-term debt related to assets held for sale	-	85	(136)	(1,199)
	(455)	2,081	6,605	45,285
Investing:				
Property, plant and equipment	1,843	(6,221)	(7,393)	(32,629)
Acquisitions, net of cash acquired	(8,629)	-	(8,629)	(6,470)
Deferred costs	(1,221)	(192)	(2,550)	(3,225)
	(8,007)	(6,413)	(18,572)	(42,324)
Change in non-cash working capital (note 11)	1,682	-	(2,036)	(2,762)
Cash flow used in investing in continuing operations	(6,325)	(6,413)	(20,608)	(45,086)
Change in cash related to assets held for sale	588	(100)	1,051	(340)
Proceeds on sale of assets held for sale	-	-	1,913	-
	(5,737)	(6,513)	(17,644)	(45,426)
Foreign exchange gain (loss)	40	(275)	(187)	(428)
Increase (decrease) in cash	6,414	(296)	4,059	4,901
Cash, beginning of period	20,954	10,480	23,309	5,283
Cash, end of, period	$ 27,368	$ 10,184	$ 27,368	$ 10,184

See accompanying selected notes to interim consolidated financial statements.

1. Basis of presentation:

The 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 the year-end consolidated financial statements and notes included in MAXIM's 2005 Annual Report. 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 year-end consolidated financial statements. These unaudited interim consolidated financial statements do not include all disclosures required for annual financial statements and therefore these statements should be read in conjunction with the most recent year-end consolidated financial statements.

On March 31, 2005, MAXIM completed a business combination by acquiring the remaining partnership units (approximately 80.5%) of Milner Power Limited Partnership ("MPLP") from the existing partners of MPLP. The business combination resulted in a reverse take-over of MAXIM through the issuance of 24,239,858 common shares of MAXIM at a price of $3.20 per share, for aggregate consideration of $77,568. For accounting purposes, MPLP is considered to have acquired MAXIM and these consolidated financial statements reflect the historical accounts of MPLP together with the accounts of MAXIM and its wholly-owned and controlled subsidiaries from the effective date of the business combination, March 31, 2005.

The consolidated balance sheets at September 30, 2006 and December 31, 2005 reflect the accounts of both MPLP and MAXIM. The statement of operations and retained earnings and the statement of cash flows reflects the operating results of both MPLP and MAXIM for the nine months ended September 30, 2006 and the statement of operations and retained earnings and the statement of cash flows at September 30, 2005 reflects nine months of operating results of MPLP plus six months of operations of MAXIM.

MAXIM's operations in Cambodia, held through its 51% interest in Jupiter Power Holdings (Bermuda) Ltd. have been classified as Assets Held for Sale (see note 3).

2. Cash:

As at September 30, 2006, the Corporation has restricted cash of $2,980.

3. Assets Held for Sale:

On March 29, 2006 the Corporation entered into binding purchase and sale agreements for the sale of its wholly-owned subsidiaries, Maxim Power GmbH (Austria) and Maxim Power GmbH (Germany), for total proceeds of $1,913 (1,350 Euro). On April 15, 2006, the sale was completed with receipt of proceeds. The disposition of these projects resulted in a loss of $165 which has been included in the Net Loss from Assets Held for Sale within the Interim Consolidated Statements of Operations and Retained Earnings. MAXIM intends to sell its remaining German development opportunities by December 31, 2006.

Effective March 31, 2006, MAXIM and its joint venture partner in Cambodia decided to rationalize existing operations in Cambodia, concurrent with the June 30, 2006 expiration of the power purchase agreement with the Cambodian state-owned utility. Proceeds from the disposition and wind-up are expected to exceed the current carrying value of the remaining generation equipment and any reclamation and disposition costs. On October 12, 2006 the remaining power generators in Phnom Penh, Cambodia were shipped to the purchaser.

(Amounts in thousands of dollars, US dollars or Euro, except shares and per share amounts)

3. Assets Held for Sale (continued):

The December 31, 2005 consolidated balance sheet and the 2005 interim consolidated statement of operations were restated to reflect the reclassification of Cambodian operations as Assets Held for Sale.

A summary of the assets and liabilities held for sale in Cambodia at September 30, 2006 is as follows:

Cash	$	1,042
Inventory		85
Prepaids and other current assets		292
	$	1,419
Property, plant and equipment		532
Other		47
	$	579
Accounts payable and accrued liabilities		546
Taxes payable		91
	$	637

A summary of Operations from Assets Held for Sale is as follows:

	Three months ended September 30,				Nine months ended September 30,			
		2006		2005		2006		2005
Electricity sales	$	-	$	3,069	$	6,253	$	7,198
Plant operations		-		2,673		5,300		6,137
General and administration		119		152		460		360
Depreciation and amortization		-		548		728		1,095
Loss before the following items:		(119)		(304)		(235)		(394)
Interest expense and other		13		39		26		50
Loss from equity investment		-		207		16		369
Loss on sale of assets		-		-		165		-
Income taxes		2		12		34		30
Net loss	$	(134)	$	(562)	$	(476)	$	(843)

4. Acquisitions:

(a) On September 30, 2006, MAXIM acquired 100% of the joint venture interests of Capitol District Energy Centre Cogeneration Association (“CDECCA”) for nominal cash consideration and acquisition costs of $1,028. The transaction was accounted for using the purchase method of accounting resulting in recognition of $2,868 of working capital, $3,747 of property, plant and equipment and $5,587 of long-term contract obligations (see Note 9).

(b) On July 19, 2006, MAXIM’s wholly-owned subsidiary, Comax France S.A.S., acquired the common shares of Canteleu Cogen S.A.R.L. for cash consideration of $1,104 including acquisition costs. The transaction was accounted for using the purchase method of accounting resulting in recognition of a working capital deficit of $314, property, plant and equipment, primarily composed of a capital lease asset, of $5,260 and liabilities, primarily the capital lease obligation, of $3,842 at the date of acquisition.

(Amounts in thousands of dollars, US dollars or Euro, except shares and per share amounts)

4. Acquisitions (continued):

In each acquisition, the allocation of the purchase price for the assets and liabilities will be finalized after certain post-closing adjustments have been completed and the fair value of the assets and liabilities have been finalized. Accordingly, each of the allocations may change.

5. Property, plant and equipment:

September 30, 2006	Cost	Accumulated depreciation	Net book value
Property, plant and equipment	$ 130,194	$ 9,776	$ 120,418
Plant under construction	3,250	-	3,250
Capital leases	9,025	249	8,776
	$ 142,469	$ 10,025	$ 132,444

December 31, 2005			
Property, plant and equipment	$ 84,098	$ 4,835	$ 79,263
Plant under construction	33,205	-	33,205
Capital leases	4,660	137	4,523
	$ 121,963	$ 4,972	$ 116,991

6. Long-term debt:

Canadian projects (note 6(a))	$ 12,368
United States project (note 6(b))	30,851
French projects (note 6(c))	7,741
	50,960
Less current portion	3,434
	$ 47,526

(a) MAXIM has a loan agreement with BMO Bank of Montreal that is comprised of five facilities. The outstanding balances of each of the facilities at September 30, 2006 are as follows:

Facility A and Facility B are demand revolving facilities that have not been utilized.

Facility C is a non-revolving term loan with an outstanding balance of $5,404.

Facility D is a $2,500 demand revolving facility for letters of credit which are also cash collateralized by MAXIM. Letters of credit in the amount of $1,565 had been issued at September 30, 2006, reducing the availability of Facility D to $935. Facility D is classified as a component of restricted cash (see Note 2).

Facility E is a non-revolving term loan with an outstanding balance of $6,964. At September 30, 2006, MAXIM was not in compliance with the Fixed Charge Coverage Ratio covenant. MAXIM received a waiver of this covenant breach for the third quarter of 2006 from the lender. An additional $2,000 will be advanced in the fourth quarter of 2006 upon placing into service the fourth engine at the Vancouver Landfill facility.

(Amounts in thousands of dollars, US dollars or Euro, except shares and per share amounts)

6. Long-term debt (continued):

(b) At September 30, 2006 MAXIM has a term loan agreement through its 95% subsidiary, Basin Creek Equity Partners, L.L.C. ("Basin Creek") with CIT Capital Securities, L.L.C. The agreement originated as a construction loan for a maximum principal amount of US$29,000 with an interest rate of US treasury rate plus 2.5% per annum for each borrowing during the construction phase. On July 1, 2006 the construction loan was converted to a term loan. At September 30, 2006, the term loan balance was $30,851 with an interest rate of 6.95% per annum with quarterly principal and interest repayments. The term loan is to mature on July 1, 2026.

(c) The Corporation has project bank term loans associated with projects operating in France. The outstanding balances at September 30 are as follows:

(i) Pouchon had an outstanding loan balance of 1,080 Euro.

(ii) Mirail had an outstanding loan balance of 1,351 Euro.

(iii) Bataneres had an outstanding loan balance of 3,040 Euro.

The Corporation's repayment obligations as at September 30, 2006 on the above loans over the next 5 years are as follows:

2007	$	3,434
2008		3,761
2009		4,009
2010		3,477
2011		2,576
Remaining		33,703
		50,960
Less current portion		(3,434)
	$	47,526

7. Capital lease obligations:

MAXIM has three capital lease obligations at September 30, 2006 as follows:

(a) The Hartland capital lease obligation with the Capital Regional District has an outstanding balance of $1,648.

(b) MAXIM's French subsidiary, Cogenia S.A.S. entered into an agreement with Caterpillar Finance France SA ("Caterpillar") to lease its production equipment. The capital lease obligation has an outstanding balance of $2,733.

(c) MAXIM's newly acquired French subsidiary, Canteleu Cogen S.A.R.L., has a lease with Enerbail-Energeco to lease its production equipment. The capital lease obligation has an outstanding balance of $3,472.

Future minimum payments under the three capital leases at September 30, 2006 are as follows:

2007	$	1,534
2008		1,534
2009		1,534
2010		1,549
2011		757
Remaining		3,161
Total minimum lease payments		10,069
Amounts representing interest	$	(2,216)
Present value of net minimum lease payments		7,853
Less: current portion		(1,089)
	$	6,764

(Amounts in thousands of dollars, US dollars or Euro, except shares and per share amounts)

8. Cash flow Indenture:

MPLP has an obligation to pay the Balancing Pool, in relation to a cash flow indenture, 20% of its future annual cash flows to a maximum of $15,000. The obligation is non-interest bearing and MPLP has pledged a second charge on its accounts receivable as collateral for the payments due under the cash flow indenture. At September 30, 2006, the outstanding balance was $7,377 of which $3,386 is classified as current portion of cash flow indenture. The outstanding balance of $12,237 at December 31, 2005 was reduced by a payment of $4,860 on March 30, 2006 to the Balancing Pool.

9. Long-term contracts:

In conjunction with the acquisition of CDECCA, MAXIM assumed three contractual obligations related to natural gas distribution and transportation. At September 30, 2006, the natural gas distribution contract was $3,437 of which $1,492 was classified as current portion of long-term contracts and the natural gas transportation contracts were $2,150 of which $492 was also classified as current portion. The natural gas distribution contract will expire in February 2009 and the transportation contracts will expire in September, 2011.

10. 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			
Balance, December 31, 2005	43,758,709	$	89,298
Stock options exercised	177,799		787
Adjustment on share consolidation	(17,040)		-
Common shares, September 30, 2006	43,919,468	$	90,085
Contributed surplus			
Balance, December 31, 2005	-	$	1,033
Fair value of stock based compensation	-		894
Contributed surplus, September 30, 2006	-	$	1,927
Balance, September 30, 2006	43,919,468	$	92,012

On April 13, 2006, the common shares of MAXIM were consolidated on a ten for one basis. The common share data and per share information have been restated to reflect the impact of the share consolidation.

(c) Stock options:

Stock options issued and outstanding are as follows:

	Number		Weighted average exercise price
Balance, December 31, 2005	1,749,550	$	5.81
Exercised	(177,799)		(4.44)
Cancelled	(327,200)		(8.18)
Granted	1,591,500		4.40
Balance, September 30, 2006	2,836,051	$	4.83

(Amounts in thousands of dollars, US dollars or Euro, except shares and per share amounts)

10. Share capital (continued):

Details of the stock options outstanding at September 30, 2006 are as follows:

	Options outstanding at September 30, 2006			Options exercisable at September 30, 2006	
Range of Exercise Prices	Number of Options	Weighted Average remaining contractual life	Weighted average exercise price	Number of options	Weighted average exercise price
\$2.00 to \$3.50	127,084	2.0	\$ 2.20	127,084	\$ 2.20
\$3.51 to \$5.99	1,576,417	4.7	\$ 4.16	88,269	\$ 4.01
\$6.00 to \$9.00	1,132,550	4.5	\$ 6.10	156,500	\$ 6.06
	2,836,051	4.5	\$ 4.83	371,853	\$ 4.25

The Corporation accounts for its stock option plan using the fair value method. Under this method, at September 30, 2006, \$894 of costs were 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 September 30, 2006 as follows:

Risk free interest rate (%)	3.00
Time to expiration (years)	5.00
Volatility (%)	50.00
Expected dividend	-

During the first nine months of 2006, the Corporation granted 1,591,500 stock options to purchase common shares at an average price of \$4.40 under the Corporation's stock option plan and the weighted average fair value of each option was calculated to be \$1.62. The Corporation used the Black-Scholes option pricing model and assumptions above to calculate the weighted average fair value.

(d) Income per share:

The weighted average number of shares outstanding for purposes of calculating basic income per share at September 30, 2006 was 43,875,315 and 33,512,382 at September 30, 2005.

11. Change in non-cash working capital:

	September 30, 2006	September 30, 2005
Operations:		
Accounts receivable	\$ 7,730	\$ 7,402
Prepaid expenses, deposits and other	102	(245)
Inventory	(1,774)	(1,974)
Accounts payable and accrued liabilities	(10,479)	(4,142)
Deferred revenue	(108)	154
	\$ (4,529)	\$ 1,195
Investing:		
Accounts payable and accrued liabilities	\$ (2,762)	\$ -
Repayment of cash flow indenture	(4,861)	(2,762)
Long-term contracts	5,587	-
	\$ (2,036)	\$ (2,762)

(Amounts in thousands of dollars, US dollars or Euro, except shares and per share amounts)

11. Change in non-cash working capital (continued):

The following cash payments have been made to September 30:

	2006	2005
Taxes	$ 28	$ 30
Interest	$ 2,621	$ 831

12. Segmented information:

MAXIM is an independent power producer engaged in the development, ownership and operation of power generation facilities and the sale of electricity and heat. Details by geographic area are as follows:

	Nine months ended September 30, 2006		Nine months ended September 30, 2005	
	Revenue	Income (loss) before the following items*	Revenue	Income (loss) before the following items*
Canada	$ 50,429	$ 17,216	$ 33,898	$ 4,082
United States	4,420	(1,869)	-	-
France	15,918	455	194	(475)
Total	$ 70,767	$ 15,802	$ 34,092	$ 3,607

	Three months ended September 30, 2006		Three months ended September 30, 2005	
	Revenue	Income (loss) before the following items*	Revenue	Income (loss) before the following items*
Canada	$ 26,773	$ 16,821	$ 8,931	$ (795)
United States	3,134	(134)	-	-
France	(386)	(1,682)	-	(502)
Total	$ 29,521	$ 15,005	$ 8,931	$ (1,297)

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

MAXIM's operations are impacted by seasonality. All French operations are cogeneration facilities and annually operate from November through March only. United States operations are 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 or third quarter of each year.

The location of the Corporation's property, plant and equipment, excluding Assets Held for Sale are as follows:

	September 30, 2006			December 31, 2005		
	Additions	Depreciation and amortization	Total assets	Additions	Depreciation and amortization	Total assets
Canada	$ 4,822	$ 2,727	$ 53,320	$ 7,056	$ 2,853	$ 51,079
United States	11,930	800	47,536	37,660	-	36,938
France	4,582	1,290	31,588	13,694	544	28,974
Total	$ 21,334	$ 4,817	$ 132,444	$ 58,410	$ 3,397	$ 116,991

13. Subsequent events:

(a) MAXIM received approval from the Toronto Stock Exchange to commence a normal course issuer bid on October 5, 2006. At MAXIM's discretion, the Corporation can purchase up to 2,190,000 (approximately 5% of its outstanding common shares) of its common shares through the facilities of the Exchange at the prevailing market price during a 12 month period commencing on October 10, 2006. The bid will officially terminate on October 9, 2007 but can be terminated at an earlier date at the option of MAXIM. The acquired common shares will be cancelled and returned to treasury.

(b) On October 20, 2006, through its wholly owned subsidiary, Comax France S.A.S., MAXIM acquired the 8.0 megawatt Balleycourt cogeneration plant located in Verdun, France. The acquisition was completed for cash consideration of $4,087.

14. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial presentation adopted for the present period.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") dated November 7, 2006, should be read in conjunction with the unaudited interim consolidated financial statements for the nine months ended September 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.

PRESENTATION

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 nine month period ended September 30, 2006 and the statements of operations and retained earnings and statements of cash flows at September 30, 2005 reflects nine months of operating results of MPLP plus six months of operations of MAXIM. The consolidated balance sheets at September 30, 2006 and December 31, 2005 reflect the accounts of both MAXIM and MPLP.

OVERALL PERFORMANCE

MAXIM recorded its second best financial quarter in the Corporation's history primarily from significantly improved power prices in Alberta and from record production at its Milner facility ("Milner").

MAXIM capitalized on its strategy to shift Milner's annual turnaround from the third quarter in prior years to the second quarter in 2006, when softer power pricing minimized the impact of lost production. The shift in the timing of the turnaround, along with improved pricing, accounted for a significant portion of the increase in MAXIM's electricity revenues during the third quarter. The work accomplished during the turnaround at Milner has resulted in a marked improvement in the plant's availability to date. Alberta power prices averaged $95 MWh in the third quarter this year versus $54 MWh in the second quarter of 2006.

MAXIM's total MWh output including Milner, was 782,991 MWh for the first 9 months of 2006 versus 633,300 MWh for the same period in 2005, an increase of 149,691 MWh or 23.6%. 50% of this increase or 74,253 MWh were the result of French generation from an additional 10 plants during 2006.

With the 2006 Milner turnaround completed during the second quarter compared to the third quarter of 2005, MWh generation increased by 140,111 MWh from 132,973 MWh in the third quarter of 2005 to 273,084 MWh in the third quarter of 2006. On a year over year comparison, Milner produced 632,645 MWh in 2006 compared to 588,112 MWh in 2005, an increase of 44,523 MWh or 7.6%. The generation increase was due to improvements in the plant's availability from 2006 turnaround initiatives.

Earnings before interest, taxes and depreciation ("EBITDA") for the third quarter of 2006 was $17.2 million increasing 2006 EBITDA for the nine months to $21.2 million. In comparison, EBITDA for the third quarter of 2005 was a loss of $0.5 million and EBITDA for the first nine months of 2005 was $5.7 million. Funds from operations for the third quarter of 2006 were $16.9 million and 2006 year-to-date funds from operations were $20.5 million. Funds from operations for the third quarter of 2005 were a loss of $1.0 million and 2005 cumulative funds from operations were $4.9 million.

MAXIM recorded net income of $10.1 million for the third quarter and $9.4 million for the first nine months of 2006. In comparison, the third quarter of 2005 reflected a net loss of $1.8 million, principally due to the scheduling of the Milner turnaround during that quarter and the 2005 nine month net income was $0.9 million.

Other highlights for the third quarter 2006 include the first full quarter of operations at the 52 MW Basin Creek project which started operations on May 16, 2006. The Basin Creek facility was dispatched more than anticipated. In addition, construction and testing of the Vancouver Landfill ("VLF") expansion project was completed and the expansion will be placed into service in November.

The increased cash flow from the third quarter of 2006 enabled MAXIM to acquire the 67 MW facility, Capitol District Energy Center Co-Generation Associates joint venture ("CDECCA") and the 5.2 MW French co-generation facility, Canteleu Cogen, using internal cash resources. Subsequent to September 30, 2006, MAXIM also purchased another French co-generation facility, Balleycourt Cogen, for cash consideration of $4.1 million, utilizing current cash resources.

RESULTS OF OPERATIONS

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

Facility	2006 Q3 MWh	% of 2006 Q3 MWh	2006 YTD MWh	% of 2006 YTD MWh
Milner	273,084	90.8	632,645	80.8
Alberta projects (2)*	7,079	2.3	23,894	3.1
British Columbia projects (2)	10,822	3.6	35,919	4.6
United States - Pawtucket	9,839	3.3	16,280	2.0
France (11)	nil	nil	74,253	9.5
Total	300,824	100.0%	782,991	100.0%

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

MAXIM's net generation capacity at September 30, 2006 was 437 MW which was comprised as follows: 185 MW in Canada (9 projects), 184 MW in the United States (3 projects) and 68 MW in France (11 projects). At September 30, 2005, MAXIM's net generation was 318 MW.

Revenue

2006 year-to-date revenue increased by $36.7 million, $70.8 million for 2006 versus $34.1 million for 2005. A large portion of the increase, $20.3 million, is principally attributed to operations from MAXIM's French projects (net 68 MW) and 2 US projects (116 MW). The operations from the French facilities were recognized at March 31, 2005, the date of the reverse take-over. The French co-generation season is completed on March 31 each year, with the result that 2005 operations for France reflected minimal revenue for the first nine months of the year. In addition, stronger 2006 Alberta power prices and increased MWh production at Milner increased Milner revenue by $14.3 million for the first nine months of 2006 compared to 2005.

Comparing third quarter revenue, 2006 was $29.5 million versus $8.9 million for 2005, an increase of $20.6 million. The increase was principally due to Milner completing its 2005 turnaround during the third quarter compared to the 2006 turnaround which occurred during the second quarter, and stronger Alberta power prices, $95 MWh versus $67 MWh.

2006 average Alberta power prices increased during the third quarter to $95 MWh after being relatively consistent during the first six months of 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 2005 average Alberta power prices were $67 MWh during the third quarter, $51 MWh during the second quarter and $46 MWh during the first quarter. For the first nine months of 2006, the average Alberta power price was $69 MWh compared to $52 MWh in 2005, an increase of 33%.

Excluding Milner, MAXIM's other projects produced 27,740 MWh in the third quarter of 2006 compared to 23,152 MWh during the same quarter of 2005. The increase is primarily from the Pawtucket facility.

Plant Operations

2006 plant operations expense increased by $20.6 million or 84%, from $24.7 million in 2005 to $45.3 million for 2006. On a per MWh basis, year-to-date plant operations expense was $57.88 per MWh during 2006 versus $38.97 per MWh during 2005. This increase is due to recognizing higher fuel expense from 11 French projects which is recovered through revenue and the addition of 52 MW at Basin Creek which operates under a tolling arrangement and does not contribute to MWh output. To date, there have been no significant extended outages at any of the MAXIM facilities, other than planned outages such as the Milner annual turnaround.

Fuel is the major component of plant operations expense. MAXIM's fuel costs accounted for 54% of 2006 plant operations expense for the first nine months of 2006 compared to 49% in 2005. Coal is the principle source of fuel at Milner and is purchased at fixed prices under a long-term supply agreement. Natural gas is the fuel used at the French and US operations.

General and Administration

General and administration ("G&A") expense of $4.2 million during the nine months of 2006 was higher by $0.5 million than G&A expense of $3.7 million for the same period of 2005. The higher G&A costs were attributed to the greater number of facilities and business development initiatives. Third quarter G&A expense of $0.6 million was $0.7 million lower than the 2005 third quarter G&A expense of $1.3 million. The decrease was primarily due to capitalization of G&A costs, the result of successful third quarter acquisitions and increased development activity at Milner Mine 14.

Depreciation

Depreciation expense increased to $5.4 million at September 30, 2006 from $2.1 million for the same period in 2005. Depreciation expense for the third quarter of 2006 was $2.2 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 start-up of the Basin Creek project in May, 2006 and the quarter over quarter increase was the result of MAXIM's acquisition and development of 129 MW of generation capacity since September 30, 2005.

There have been no changes to depreciation policy except during the first quarter of 2006 when 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

Interest expense is related to corporate debt facilities with BMO Bank of Montreal, Basin Creek's term loan facility, three project financings in France and capital lease obligations at Hartland and France.

To September 30, 2006, MAXIM incurred $2.2 million of interest expense compared to $0.9 million at September 30, 2005, an increase of $1.3 million. During the third quarter of 2006, MAXIM recorded $1.1 million of interest expense compared to $0.6 million for the same quarter of 2005, an increase of $0.5 million. Both increases are primarily due to recognizing interest expense from the project financing at Basin Creek. Prior to Basin Creek's May 16, 2006 start-up, interest from Basin Creek's construction loan facility was capitalized. Year-to-date 2006 interest expense also reflects the effect of financing Bataneres and VLF since September 30, 2005 and the additional capital lease obligation in France with the acquisition of 7 French projects on June 22, 2005.

Interest income of $0.4 million for the first 9 months of 2006 and $0.1 million for the third quarter of 2006 is a result of MAXIM's treasury practice to re-invest excess cash balances arising from increased profitability. The excess cash balances have been invested in various interest bearing instruments.

MAXIM's cash balances have increased significantly since the fourth quarter of 2005 when Alberta power prices averaged $117 MWh during the quarter.

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 $1.9 million (1.35 million Euro) which resulted in a $0.2 million loss during the second quarter of 2006.

Cambodian operations ceased on June 30, 2006 and the plant equipment sale was finalized in October. MAXIM and its joint venture partner in Cambodia have received the US$2.2 million equipment sales proceeds. It is anticipated that the cost of winding up the Cambodian operations will not result in a significant gain or loss for MAXIM in the fourth quarter.

For the first nine months ending September 30, 2006 and 2005, Assets Held for Sale have reflected a net loss of approximately $0.5 million and $0.8 million respectively. The 2006 net loss from Assets Held for Sale includes the $0.2 million loss on sale of European assets.

Future income taxes

MAXIM has provided for future income taxes of $4.0 million for the first nine months of 2006 compared to the deferred income tax provision of $0.8 million for the first nine months of 2005. The increased income tax provision was attributed to $14.1 million of pre-tax income recorded during the third quarter of 2006.

Net Income

Year-to-date net income at September 30, 2006 was $9.4 million or $0.21 per share, versus September 30, 2005 net income of $0.9 million or $0.03 per share.

SELECTED QUARTERLY FINANCIAL INFORMATION

2006 Financial Quarter Ended (Unaudited)

($000's except per share amounts)	Sept 30, 2006	June 30, 2006	Mar 31, 2006
Revenue	29,521	9,776	31,470
EBITDA	17,190	(4,202)	8,207
Net income (loss)	10,093	(4,523)	3,783
Net income (loss) per share	0.23	(0.10)	0.08
Total assets	206,596	187,606	205,631
Average Quarterly Alberta Price per MWh	$95	$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	(1,820)	(7)	2,731
Net income (loss) per share	0.29	(0.05)	0.00	0.11
Total assets	196,829	157,651	161,352	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 future income taxes.

The increase in revenue, EBITDA and net income during the first and fourth quarters reflects 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.

Non-GAAP measures ($ in thousands)				
Income (loss) before the following items, as reflected in the Interim Consolidated Statements of Operations and Retained Earnings	$ 15,055	$ (1,297)	$ 15,802	$ 3,607
Depreciation and amortization	2,185	841	5,393	2,132
EBITDA	17,190	(456)	21,195	5,739
Cash flow from continuing operations, as reflected in the Interim Consolidated Statements of Cash Flows	13,195	5,798	15,945	6,072
Change in non-cash working capital	3,687	(6,820)	4,529	(1,195)
Funds from continuing operations	16,882	(1,022)	20,474	4,877

Management believes this presentation of certain non-GAAP measures provides useful information to investors and shareholders as it provides predictive value and performance trends.

LIQUIDITY AND CAPITAL RESOURCES

a) Capital Expenditures

At September 30, 2006, MAXIM had completed $16.0 million of property, plant and equipment ("PP&E") expenditures compared to PP&E expenditures of $39.1 million at September 30, 2005. $8.6 million of the 2006 expenditures were made during the third quarter and primarily related to the acquisition of CDECCA in Hartford, Connecticut and Canteleu in France. Compared to the same quarter in 2005, PP&E expenditures were $6.2 million as a result of the continuing construction of Basin Creek, construction of the Bataneres project and the addition of a transformer at Milner. The remainder of the 2006 PP&E expenditures related to completion of construction at Basin Creek during the first 2 quarters of 2006 and construction of the Vancouver Landfill ("VLF") expansion project which will begin operations in November, 2006. All of the 2006 PP&E expenditures or acquisitions were funded from MAXIM's internal cash resources and, in the case of the construction at Basin Creek project from project financing.

The remainder of the PP&E expenditures during 2005 reflected the development of the Basin Creek project for $25.3 million and the $11.0 million acquisition of 7 French projects on June 22, 2005.

MAXIM continues to develop the Milner Mine 14 lease and incurred $1.9 million of development expenditures during the first nine months of 2006. Mine 14 expenditures are classified as Deferred costs.

b) Working Capital

Working capital at September 30, 2006 was $27.6 million, an increase of $8.2 million from June 30, 2006 working capital of $19.4 million. Working capital improved during the third quarter of 2006 reflecting stronger Alberta power prices and Milner's increased MWh generation. June 30, 2006 working capital was negatively impacted by Milner annual plant turnaround costs. The turnaround was started and completed during the second quarter.

In comparison, the working capital deficiency at September 30, 2005 was $21.9 million primarily as a result of $25.2 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.

c) Canadian Credit Facilities

At September, 2006, MAXIM has combined credit facilities of $26.5 million with BMO Bank of Montreal which are 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 activities.

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 September 30, 2006 Facility C had an outstanding balance of $5.4 million.

Facility E is a non-revolving reducing term loan with floating interest rates. An additional $2.0 million will be advanced to MAXIM in November with the start-up of operations from the VLF expansion. The total outstanding balance for Facility E is $7.0 million at September 30, 2006. At September 30, 2006, Facility E was not in compliance with the Fixed Charge Coverage Ratio covenant. MAXIM received a waiver of this covenant breach for the third quarter of 2006 from the lender. The remaining credit facilities are in compliance with the lender's credit agreement.

For the first 9 months of 2006, MAXIM has repaid $1.8 million towards Facility C and E of the Canadian credit facilities.

d) Long-Term Debt outside Canada

There was no significant issuance of long-term debt during the third quarter of 2006. During the first six months of 2006, additional advances in the amount of US$8.3 million, were issued under the construction and term loan facility at Basin Creek.

Under the US$29 million Basin Creek facility, MAXIM utilized US$28.0 million 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. At September 30, 2006 the first payment under the term loan was made to the lender.

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 September 30, 2006, the three French projects had a combined outstanding balance of 5.5 million Euro ($7.7 million Cdn).

For the first 9 months of 2006, MAXIM has repaid $1.2 million towards the Basin Creek term loan facility and the 3 project financings in France.

e) Capital Lease Obligations

MAXIM has repaid $0.6 million of the capital lease obligations for the first 9 months of 2006 compared to less than $0.1 million for the same period in 2005. The 2005 capital lease payments were for the Hartland capital lease only. The 2006 capital lease payments were $0.5 million for the two French lease obligations and less than $0.1 million for the Hartland 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 September 30, 2006, the outstanding balance of this lease obligation was $1.6 million.

MAXIM has two capital lease obligations in France. The first lease obligation is with Caterpillar Finance in France for production equipment. This 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 September 30, 2006, the outstanding balance of the lease obligation with Caterpillar Finance was $2.7 million. MAXIM assumed a second lease obligation of $3.5 million in conjunction with the acquisition of Canteleu. The lease obligation is for production equipment at the facility. This capital lease bears interest at 5.26% per annum with quarterly repayments over the next 7 years.

f) Cash Flow Indenture

MPLP has an obligation to the Balancing Pool of 20% of annual cash flows to a maximum of $15 million. 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 September 30, 2006 of $3.4 million reflects the significant impact of stronger Alberta power prices and Milner's increased MWh generation during the third quarter. The nil provision at June 30, 2006 was the result of the timing of the annual plant turnaround which occurred during the second quarter. At September 30, 2006 MPLP has $7.4 million remaining from the original $15.0 million obligation under the cash flow indenture. It is forecasted that the $15.0 million obligation will be fully repaid during 2007 with the cash flow indenture obligation being retired within 4 years.

g) Long-Term Contracts

With the acquisition of CDECCA on September 30, 2006, MAXIM assumed three contractual obligations related to natural gas distribution and transportation. The natural gas distribution contract was valued at $3.4 million. Monthly payments will be issued and the natural gas distribution contract will be retired in February 2009. The natural gas transportation contracts were valued at $2.2 million and also have monthly payments. One natural gas transportation contract will be retired in September, 2008 and the other will be retired in September, 2011.

h) Equity Issuances

There were no equity issuances during the first nine months of 2006 and 2005 other than those common shares issued under MAXIM's stock option plan and MAXIM's acquisition of MPLP on March 31, 2005 with the issuance of 24,239,858 common shares.

During the first nine months of 2006 and 2005, stock options were exercised for proceeds of $0.8 million in each period. On November 14, 2005 MAXIM completed a private equity placement for net proceeds of $35.0 million resulting in the issuance of 5,566,814 common shares at $6.30 per share.

PROPOSED TRANSACTIONS AND SUBSEQUENT EVENTS

a) Normal Course Issuer Bid

MAXIM received approval from the Toronto Stock Exchange ("TSX") to commence a normal course issuer bid on October 5, 2006. At MAXIM's discretion, MAXIM can purchase up to 2,190,000 of its own common shares which is approximately 5% of its outstanding common shares. MAXIM will purchase these common shares through trades on the TSX at prevailing market prices during a 12 month period commencing October 10, 2006. This normal course issuer bid will officially terminate on October 9, 2007 but can also be terminated at an earlier date at MAXIM's option. The acquired common shares will be cancelled and returned to treasury.

When the normal course issuer bid was initiated, MAXIM believed that the trading value of its common shares did not adequately reflect its underlying value at that time and that the purchase of its common shares would enhance value for MAXIM's existing shareholders. The normal course issuer bid will be funded through MAXIM's internal cash resources. MAXIM shareholders may obtain a copy of the notice of the normal course issuer bid, without charge, by contacting MAXIM.

b) Acquisitions

On October 20, 2006, through its wholly owned subsidiary, Comax France S.A.S., MAXIM acquired 100% of the 8.0 MW Balleycourt Cogen plant located in Verdun, France. The acquisition was completed for cash consideration of approximately $4.1 million. Balleycourt is currently operating under a PPA with Electricite de France and also has a thermal heat sale agreement, similar to MAXIM's other 11 French co-generation facilities. Balleycourt began operations on November 1, the start of the French co-generation season.

On October 12, 2006, MAXIM purchased the remaining 9% ownership interest at its VLF facility for $0.5 million. MAXIM will continue to sell thermal heat and excess gas under existing agreements. MAXIM believes VLF has potential for further expansion, beyond the recently completed addition of the fourth engine.

OUTLOOK

At September 30, 2006, MAXIM had 242 MW of its total net installed capacity of 437 MW exposed to spot prices. Of the 242 MW of generating capacity, 108 MW are exposed to Alberta spot prices and 134 MW are exposed to prices within the New England power market. In prior quarters, MAXIM had 151 MW of its capacity exposed to Alberta spot prices but 43 MW have been contracted under unit contingent agreements. The unit contingent agreements expire on December 31, 2006.

During the month of October, 2006, the Alberta average power price was $174 MWh which was the highest average power price since January, 2001 and exceeded July, 2006 ($128 MWh), formerly the highest month. In the past 13 months, the Alberta monthly average power price has exceeded $100 MWh in five of the 13 months. For the last two months of 2006, Alberta prices are forecasted to be in the range of $77 MWh to $82 MWh with prices for 2007 in the range of $70 MWh to $75 MWh.

Alberta power prices can be volatile and affected by different variables. One variable that occurred during 2006, resulting in favorable power prices for MAXIM, was planned and unplanned outages of other coal generation facilities in Alberta thus reducing available power supply. It is expected that Milner will achieve normal run-times during the fourth quarter of 2006.

With the acquisition of CDECCA on September 30, 2006, MAXIM has 134 MW exposed to New England power prices. Developments within the New England market will increase cash flows from Pawtucket and CDECCA through two forward capacity payment arrangements.

On October 31, 2006, the Federal Energy Regulatory Commission accepted the implementation plan for the Forward Capacity Market in the New England market. Commencing December 1, 2006, all installed generating facilities in the New England market will be eligible for a US$3.05 kilowatt ("kW") per month capacity payment. This payment will escalate to US$4.10 kW per month by June 1, 2009. This ruling is favorable to MAXIM's generation assets, the Pawtucket and CDECCA facilities, located in the New England market.

CDECCA has entered into a seven year capacity agreement with Connecticut Light & Power ("CL&P"). Under the terms of this agreement, CL&P will pay CDECCA monthly capacity payments which entitle CL&P to dispatch the CDECCA facility during ISO New England system emergency events. CL&P will also act as CDECCA's agent with ISO New England. As part of the agreement, CDECCA will relinquish its right to make discretionary energy sales into the ISO New England real-time energy market and payment under the Forward Capacity Market. However, CDECCA will retain the right to participate in and sell energy in the day-ahead market.

MAXIM's fourth quarter results will reflect the seasonality of the French projects which resumed operations on November 1, the start of the French co-generation season. MAXIM acquired an additional 13.2 MW of co-generation capacity with the recent acquisitions of Canteleu Cogen and Balleycourt Cogen. Both facilities also began operations on November 1. In addition, the construction and testing of the fourth unit (1.8 MW) at VLF was successfully completed and the new unit will begin to operate in November.

MAXIM and its joint venture partner in Cambodia will conclude the wind-up of operations in Cambodia during the fourth quarter. The Cambodian operations ceased on June 30, 2006 with the expiry of the PPA. On October 12, 2006, the remaining generators and spare part equipment were shipped to the purchaser. The total equipment sales proceeds of US$2.2 million has been received in two installments and the final installment will be distributed to MAXIM and its joint venture partner in November. A portion of the equipment sales proceeds were distributed in October.

Milner will continue development of Milner's Mine 14 lease during 2007. All drilling permit approvals have been received and Milner continues to work towards obtaining other necessary licenses and permits. In addition, work has begun towards fulfilling application requirements with regulatory agencies in 2007. The development of the Milner coal reserves could serve as the source of fuel for Milner and any future expansion of that facility.

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	160,759
Total issued common shares at November 7, 2006	43,919,468
Outstanding share options	2,836,051
Total diluted common shares at November 7, 2006	46,755,519

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.