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For Immediate Release  
 November 8, 2018

## Maxim Power Corp. Announces 2018 Third Quarter Financial and Operating Results

**CALGARY, Alberta (November 8, 2018)** – Maxim Power Corp. ("MAXIM" or the "Corporation") announced today the release of financial and operating results for the third quarter ended September 30, 2018. The unaudited condensed consolidated interim financial statements, accompanying notes and Management Discussion and Analysis ("MD&A") will be available on SEDAR and on MAXIM's website on November 8, 2018. All figures reported herein are Canadian dollars unless otherwise stated.

The Financial Highlights below include the results from MAXIM's continuing operations, unless otherwise noted. Refer to MAXIM's unaudited condensed consolidated interim financial statements and MD&A for further details on discontinued operations.

### FINANCIAL HIGHLIGHTS

	Three Months Ended September 30		Nine Months Ended September 30	
	2018	2017	2018	2017
<i>(\$ in thousands except per share amounts)</i>				
<b>Revenue</b>	\$ 7,880	\$ -	\$ 9,989	\$ 2,024
<b>Net income (loss) attributable to shareholders</b>				
<b>Continuing operations</b>	(3,733)	(3,281)	(4,456)	(18,271)
<b>Discontinued operations</b>	-	(2,156)	-	49,201
<b>Total</b>	(3,733)	(5,437)	(4,456)	30,930
<b>Total per share – basic and diluted</b>	\$ (0.07)	\$ (0.10)	\$ (0.08)	\$ 0.57
<b>Total assets</b>	\$ 160,410	\$ 181,236	\$ 160,410	\$ 181,236

### OPERATING RESULTS

MAXIM's continuing operations are comprised of the HR Milner generating facility ("Milner") and MAXIM's corporate activities. MAXIM resumed generation of electricity at Milner on June 13, 2018 due to favourable settled and forward power and gas prices. Accordingly, results for the third quarter of 2018 and nine months ended September 30, 2018 reflect increased activities as compared to prior quarters.

During the third quarter of 2018, net loss attributable to shareholders from continuing operations increased in 2018 when compared to 2017. The change in this financial measure was primarily due to additional depreciation on derecognized Milner components and a loss on sale of a subset of the Corporation's renewable generation development project. These were partially offset by lower operating losses at Milner, when excluding the impacts of depreciation, and lower personnel costs at the corporate head office.

During the first nine months of 2018, net loss attributable to shareholders from continuing operations decreased in 2018 when compared to 2017. The change in this financial measure was primarily due to operating cost savings from cost cutting initiatives and the temporary suspension of operations at Milner from April 2017 to June 2018, higher Alberta power prices upon resumption of operations at Milner, lower personnel costs at the corporate head office, lower restructuring costs, and the 2018 rerecognition and derecognition of future tax assets and liabilities, respectively. This was partially offset by realized gains on commodity risk management activities and final resolution of the cooling tower claims in 2017.

## **RESUMPTION OF OPERATIONS AT MILNER**

As previously reported, on June 13, 2018 Milner commenced generation of electricity for the first time since April 2017. For the period of June 13, 2018 to September 30, 2018, Milner was able to realize an average price of \$62.99/MWh versus the average Alberta market pool price of \$58.13/MWh. Milner's operating loss in the third quarter was a result of lower than expected generation primarily due to restart issues both at the facility and with local utility interconnection and gas supply services. As at the date of this press release, MAXIM anticipates these issues have been rectified. MAXIM continues to monitor settled and forward power and natural gas prices and as at the date of this press release anticipates generating electricity at the existing Milner facility until late 2019.

## **MILNER SITE DEVELOPMENT**

MAXIM is proceeding to develop a modern natural gas-fired facility at the Milner site, adjacent to the existing Milner facility. MAXIM anticipates that upon COD of the first stage, the project will have generation capacity at the Milner site that will average 208 MW in simple cycle mode. Based on preliminary engineering, MAXIM is currently estimating total development costs to complete the facility in simple cycle mode of approximately \$80 million and that commercial operation date will occur late in 2019. The Milner site has access to existing assets, which results in a cost-effective solution for new development. MAXIM retains the option in the future to increase the capacity of the facility, in conjunction with increasing the efficiency of the facility, by investing additional capital to convert the facility to operate with combined cycle technology.

## **AUC LOSS FACTOR DECISION**

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

## **CORPORATE**

As previously reported, the Corporation believes that the current market price of its common shares does not accurately reflect their underlying value. As a result, the Corporation provided notice to the Toronto Stock Exchange of its intention to make a normal course issuer bid ("NCIB") to purchase for cancellation up to 3,100,000 common shares. As at the date of this press release, the Corporation has repurchased and cancelled 1,556,136 common shares at a weighted average cost of \$2.41 per share and the total number of common shares outstanding is 53,067,689. This compares to 54,623,825 common shares outstanding as at May 8, 2018, when the NCIB commenced.

### **About MAXIM**

Based in Calgary, Alberta, Maxim Power Corp ("MAXIM") is an independent power producer which acquires or develops, owns and operates innovative and environmentally responsible power and power related projects. MAXIM currently owns and operates one power plant in Alberta, having 150 MW of electric generating capacity, and anticipates commercial operation of an aggregate 208 MW by the end of 2019. In addition, MAXIM has approvals to construct and operate projects comprising an additional 588 MW of generating capacity. MAXIM trades on the TSX under the symbol "MXG". For more information about MAXIM, visit our website at [www.maximpowercorp.com](http://www.maximpowercorp.com).

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