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## Maxim Power Corp. Announces 2017 First Quarter Financial and Operating Results

**CALGARY, Alberta (May 11, 2017)** – Maxim Power Corp. ("MAXIM" or the "Corporation") announced today the release of financial and operating results for the first quarter ended March 31, 2017. 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 May 11, 2017. All figures reported herein are Canadian dollars unless otherwise stated.

The Financial Highlights below include the results from MAXIM's continuing operations and Maxim Power (USA), Inc. ("MUSA") which is recorded as discontinued operations in MAXIM's financial statements. COMAX France S.A.S. ("COMAX") has been excluded for comparative purposes as the segment was sold in December 2016. Refer to MAXIM's unaudited condensed consolidated interim financial statements and MD&A for further details.

### FINANCIAL HIGHLIGHTS

	Three Months Ended March 31	
	2017	2016
<i>(\$ in thousands except per share amounts)</i>		
<b>Revenue</b>	\$ 16,225	\$ 15,052
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>(2,041)</b>	<b>(3,543)</b>
<b>Net loss attributable to shareholders</b>	<b>(3,585)</b>	<b>(9,973)</b>
<b>Per share – basic and diluted</b>	\$ (0.07)	\$ (0.18)
<b>FFO <sup>(1)</sup></b>	<b>(622)</b>	<b>(3,794)</b>
<b>Per share - basic and diluted</b>	\$ (0.01)	\$ (0.07)
<b>Net Generation Capacity (MW) <sup>(2)</sup></b>	<b>603</b>	<b>603</b>
<b>Average Alberta market power price (\$ per MWh)</b>	\$ 22.40	\$ 18.12
<b>Average Milner realized power price (\$ per MWh)</b>	\$ 29.01	\$ 20.95
<b>Average Northeast US realized power price (US\$ per MWh)</b>	\$ 68.96	\$ 37.25

(1) Select financial information was derived from the unaudited condensed consolidated interim financial statements and is prepared in accordance with GAAP, except adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") and adjusted net loss. Adjusted EBITDA is provided to assist management and investors in determining the Corporation's approximate operating cash flows before interest, income taxes, and depreciation and amortization and certain other income and expenses. Funds from operating activities before changes in working capital ("FFO") is provided to assist management and investors in determining the Corporation's cash flows generated from operations before the cash impact of working capital fluctuations. Adjusted EBITDA and FFO do not have any standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other companies.

(2) Generation capacity is manufacturer's nameplate capacity net of minority ownership interests of third parties and uncontacted capacity on contracted generating facilities. Includes 447 MW of net generation capacity from MUSA.

### OPERATING RESULTS

During the first quarter of 2017, revenue, adjusted EBITDA and FFO increased, and net loss attributable to shareholders decreased compared to the same period in 2016. Revenue, adjusted EBITDA and FFO increased as a result of higher realized Northeast U.S. power prices. In addition, adjusted EBITDA and FFO increased as a result of lower fuel and maintenance costs in conjunction with realized gains on commodity risk management activities in Canada,

partially offset by an increase in foreign exchange risk management costs realized in relation to the MUSA sale's process. In addition to the discussion noted above, net loss attributable to shareholders decreased in 2017 as a result of inventories write-downs in 2016.

### **AGREEMENT TO SELL MUSA**

As previously reported on April 3, 2017, MAXIM announced that it has closed the sale of 100% of its ownership interest in its wholly-owned subsidiary MUSA to an affiliate of Hull Street Energy, LLC. The implied enterprise value was approximately \$106 million USD inclusive of working capital. Net proceeds to MAXIM after accounting for debt and transaction costs are approximately \$84 million USD.

MAXIM will utilize \$8 million CAD of the net sales proceeds as collateral for letters of credit that are securing potential obligations of the Corporation and \$5 million USD to fulfill obligations under the FERC Settlement agreement previously disclosed on September 26, 2016. The remainder of the proceeds will be held by MAXIM for strategic corporate purposes. Refer to page 12 of the MD&A for details on the Corporation's pro-forma financial position after collecting the proceeds on sale.

### **MILNER ("M1") TEMPORARY SUSPENSION OF GENERATION**

On May 1, 2017, MAXIM provided notice to the Alberta Electric System Operator ("AESO") to temporarily suspend the generation of electricity at M1 effective July 28, 2017. The decision to temporarily suspend the operations at M1 was due to continued record low Alberta power prices, which have undermined profitability for a prolonged period. Laying up M1 operations will result in a 75% reduction of plant staff through a combination of layoffs and severances for an undetermined period. Prior to suspension, M1 will remain available to the AESO as a long lead time asset and it is unlikely that the unit will be dispatched. MAXIM is currently maintaining a smaller operating team to undertake maintenance and repairs for possible resumption of generation as power market conditions improve. A significant improvement in Alberta power prices will be required to justify resuming operations.

### **STRATEGIC REVIEW**

As previously announced on November 10, 2016, the Corporation commenced consideration of various strategic and financing alternatives potentially available to MAXIM. Since that date, MAXIM closed the sale of 100% of its ownership interest in COMAX and its parent MAXIM Power Europe B.V., and subsequently in 2017 closed the sale of 100% of its ownership interest in its wholly-owned subsidiary MUSA. MAXIM continues to own 156 MW of generating capacity in Canada. MAXIM also has permitted power generation development projects totalling up to 996 MW (refer to Growth Initiatives section below) and a permitted metallurgical coal development project in Alberta. MAXIM will provide updates on initiatives pertaining to these investments as these considerations progress.

### **GROWTH INITIATIVES**

MAXIM has four electrical generating development projects in Alberta totalling 996 MW of capacity. These projects are at various stages of the permitting phase, with 796 MW having AUC permits and the remainder in the early stage of permitting. The Corporation is currently evaluating the viability of each project in the context of recent regulatory announcements by the Government of Alberta. These regulatory announcements include provision for the transition of Alberta's "energy only" power market to a "capacity market" by 2021. The pace and success of the transition outlined above will determine decisions on advancing development of these projects. MAXIM has not made any definitive commitments to the timing or certainty of advancing development of these projects.

MAXIM also owns a metallurgical coal development initiative located north of Grande Cache, Alberta that in turn owns metallurgical coal leases for M14 and M16S ("SUMMIT"). Current estimates for M14 are 18.9 million tonnes of low-mid volatile metallurgical coal reserves with a mine life of 17 years based on the NI 43-101 Technical Report filed on SEDAR on March 21, 2013. M16S is located 30 kilometers northwest of M14 and represents 1,792 hectares or 29% of SUMMIT's total area of coal leases. A NI 43-101 Technical Report has not been prepared for M16S. M14 is permitted for a run-of-mine production rate of up to 1,300,000 tonnes per year. MAXIM has not made any definitive commitments to the timing or certainty of advancing development of this project.

### **About MAXIM**

Based in Calgary, Alberta, MAXIM is an independent power producer, which acquires or develops, owns and operates innovative and environmentally responsible power and power related projects. MAXIM currently owns and operates 2 power plants in Alberta, having 156 MW of electric generating capacity. MAXIM trades on the TSX under the symbol "MXG". For more information about MAXIM, visit our website at [www.maximpowercorp.com](http://www.maximpowercorp.com).

For further information please contact:

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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.