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Maxim Power Corp. Announces 2017 Fourth Quarter Financial and Operating Results

CALGARY, Alberta (March 15, 2018) – Maxim Power Corp. ("MAXIM" or the "Corporation") announced today the release of financial and operating results for the fourth quarter and year ended December 31, 2017. The audited consolidated financial statements, accompanying notes and Management Discussion and Analysis ("MD&A") will be available on SEDAR and on MAXIM's website on March 15, 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 audited consolidated financial statements and MD&A for further details on discontinued operations.

FINANCIAL HIGHLIGHTS

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2017	2016	2017	2016
<i>(\$ in thousands except per share amounts)</i>				
Revenue from continuing operations	\$ -	\$ 2,840	\$ 2,024	\$ 6,484
Net income (loss) attributable to shareholders				
Continuing operations	(12,454)	(9,721)	(30,725)	(29,874)
Discontinued operations	-	(7,690)	49,201	(23,926)
Total	(12,454)	(17,411)	18,476	(53,800)
Total per share – basic and diluted	\$ (0.23)	\$ (0.32)	\$ 0.34	\$ (0.99)
Total assets	\$ 169,490	\$ 218,183	\$ 169,490	\$ 218,183

OPERATING RESULTS

MAXIM's continuing operations are comprised of the Milner generating facility ("Milner") and MAXIM's corporate activities. Milner has not generated electricity since April 2017 due to continued record low Alberta power prices. Accordingly, results for the fourth quarter of 2017 and twelve months ended December 31, 2017 reflect limited activities as compared to prior quarters.

During the fourth quarter of 2017, net loss attributable to shareholders from continuing operations increased when compared to the same period in 2016. The change in this financial measure was primarily due to an asset impairment charge relating to property, plant and equipment ("PP&E"), partially offset by lower operating costs as a result of the temporary suspension of operations at Milner.

During 2017, net loss attributable to shareholders from continuing operations increased when compared to the same period in 2016. The change in this financial measure was primarily due to asset impairment charges relating to PP&E and intangible assets in 2017. This was partially offset by lower operating costs as a result of the temporary suspension of operations at Milner, including lower fuel and maintenance, costs recoveries from the final resolution of the cooling tower claims and realized gains on commodity risk management activities in the first quarter of 2017.

ALBERTA UTILITIES COMMISSION ("AUC") LOSS FACTOR DECISION

Through its Decision 790-D06-2017 ("Decision"), released December 18, 2017, the AUC asserted its position on several matters related to remedy under Module C of Milner Power Inc.'s complaint relating to the AESO Line Loss Rule. The Decision confirms that the new method that was used to calculate 2017 prospective loss factor rates would be used for the retrospective period of January 1, 2006 – December 31, 2016. A single settlement approach will be used whereby the Alberta Electric Systems Operator ("AESO") will calculate all eleven years before cash is settled. The Decision further confirms that the settlement be effected by reissuing invoices to the original party and that a rider will be applied to transmission rates across the industry to collect any shortfall from the inability to collect from an original party. The Corporation estimates that overpayments of approximately \$40 million were made by Milner Power Inc. to the AESO for the period January 1, 2006 to December 31, 2016, based on calculations established using information currently available on the public record, before accounting for the time value of money at the Bank of Canada Bank Rate +1.5%.

MILNER GENERATION TEMPORARILY SUSPENDED

Milner has not generated electricity since April 2017 due to continued record low Alberta power prices, which have undermined profitability for a prolonged period. Plant staff levels have been reduced by 88% through temporary layoffs while operations are suspended. MAXIM maintained a smaller operating team during the second half of the year to undertake maintenance and repairs for a possible resumption of generation if power market conditions improve. Management is currently monitoring both settled and forward power and gas prices with a view of resuming operations in the second quarter of 2018 if economically feasible.

ALBERTA MARKET DESIGN

MAXIM is currently evaluating the electricity market transition being undertaken by the Government of Alberta, which includes a shift from the current "energy only market" to a "capacity market" to attract investment needed to support this transition. The government estimates \$25.0 billion of new investment in electricity generation is required to meet the electricity needs of a growing province and to support the transition toward cleaner sources of energy mandated by the federal and provincial governments. The AESO is leading the formulation of recommendations for the design of the capacity market considering input from various stakeholder groups. The AESO intends to release four versions of the comprehensive market design throughout the first half of 2018 and anticipates that the final design of the capacity market will be released in July 2018. This timing will permit the AESO to have the first capacity market auction begin December 2019 for capacity requirement deliveries in November 2021.

STRATEGIC REVIEW

MAXIM continues to own 150 MW of generating capacity in Canada. MAXIM also has power generation development projects totalling up to 1,031 MW (refer to Growth Initiatives section below) and a permitted metallurgical coal development project in Alberta. MAXIM continues to evaluate alternatives for these investments in order to maximize shareholder value and will provide updates as these considerations progress.

GROWTH INITIATIVES

MAXIM has four electrical generating development projects in Alberta totalling 1,031 MW of capacity. These projects are at various stages of the permitting phase, with 796 MW having AUC permits, 35 MW in the final stages 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 this transition 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 one power plant in Alberta, having 150 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.

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.