



Maxim Power Corp. Enters into Engineering, Procurement, and Construction Agreement for the Completion of the M2 Development Project

CALGARY, Alberta (August 27, 2019) – Maxim Power Corp. ("**MAXIM**" or the "**Corporation**") (TSX: MXG) announced today that it has entered into an Engineering, Procurement and Construction ("**EPC**") contract for the completion of its 204 MW natural gas-fired power plant located near Grande Cache, Alberta ("**M2**").

EPC Contract

The EPC contract was entered into between Milner Power II Limited Partnership, a wholly owned subsidiary of MAXIM, and BPC Milner (the "**Contractor**"), a joint venture between affiliates of PCL Construction Group Inc. and Black & Veatch Corporation.

Through the EPC contract, the Contractor will complete and deliver M2, a 204 MW simple cycle natural gas-fired power plant, as a fixed price, turn-key project with a targeted substantial completion in April 2020. The EPC contract value is approximately \$83 million and includes approximately \$39 million of work already performed by members of the Contractor's joint venture under various time-and-material agreements, which have been superseded by the EPC contract.

The EPC contract requires that MAXIM secure binding financing arrangements to provide sufficient funds for the construction of M2 within 60 days. MAXIM is currently completing arrangements with related parties, under the supervision of a committee of independent directors, to provide revolving credit facilities for the purpose of providing full funding for the project. There is no certainty that any such credit facilities will be entered into or, if entered into, the final terms thereof. MAXIM will make additional announcements with respect to any such agreements as required.

Project Update

MAXIM believes strongly that M2 will be a top performing facility in its class in the Alberta power market. MAXIM anticipates that M2 will cost approximately \$143 million, excluding financing costs. As of this date, MAXIM has spent approximately \$77 million and estimates the remaining cost to complete the project is approximately \$66 million. MAXIM retains the option in the future to increase the capacity of the M2 facility, in conjunction with increasing its efficiency, by expanding M2 to operate with combined cycle technology.

About MAXIM

Based in Calgary, Alberta, MAXIM is an Alberta focused independent power producer which currently owns and operates a 150 MW power plant near Grande Cache, Alberta. This plant ("M1") is nearing the end of its life under federal regulations and is being replaced with a state-of-the-art natural gas-fired plant ("M2") with anticipated nameplate capacity of 204 MW in simple cycle mode. MAXIM has the option in the future to increase the capacity of M2, in conjunction with increasing the overall efficiency of the facility, by upgrading M2 into a combined cycle plant. In addition, MAXIM continues to explore development options for its remaining permitted gas-fired generation capacity in Alberta and permitting of its wind power generation project. 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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Note Regarding Forward-Looking Statements

This document contains forward-looking information. This information relates to future events and the Corporation's future performance. All information and statements contained herein that are not clearly historical in nature constitute forward-looking information, and the words "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "propose", "predict", "potential", "continue", "aim", "budget" or the negative of these terms or other comparable terminology are generally intended to identify forward-looking information. Such information represents the Corporation's internal projections, estimates, expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. This information involves known or unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information.

MAXIM believes that the expectations reflected in this forward-looking information are reasonable; however, undue reliance should not be placed on this forward-looking information, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. This press release contains forward-looking information concerning, among other things, the expected completion date of M2, the value of the EPC contract (prior to any change orders), MAXIM's financing plans for M2, MAXIM's intention to announce any updates with respect to its currently pursued financing activities, MAXIM's belief that M2 will be a top performing facility in its class in the Alberta power market and the estimated remaining costs to complete M2. The reader is cautioned that such information, although considered reasonable by the Corporation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided in this document as a result of numerous known and unknown risks and uncertainties and other factors. A number of risks and other factors could cause actual results to differ materially from those expressed in the forward-looking information contained in this document including, but not limited to, weather, regulatory approvals, liquidity, interest rates, the availability and cost of financing, labor and services, the impact of increasing competition, that MAXIM will not realize the expected benefits of the EPC contract, the performance of M2, relative to other assets in its class, may not be as currently anticipated, that the costs to complete M2 will be higher than anticipated, and the Corporation's ability to access capital, including under the presently pursued loans.

With respect to forward-looking information contained in this document, the Corporation has made assumptions regarding, among other things: that MAXIM will be able to secure financing for the completion of M2; the scope and design of M2, that no change orders will be rendered, the timely receipt of any required regulatory approvals and the ability of the Contractors to obtain qualified staff, equipment and services in a timely and cost efficient manner to deliver M2 on the timeline contemplated by the EPC contract; and the ability of the Corporation to obtain financing on acceptable terms when and if needed. Management of MAXIM has included the above summary of assumptions and risks related to forward-looking information included in this document in order to provide investors with a more complete perspective on the Corporation's future operations. Readers are cautioned that this information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking information contained in this document are expressly qualified by this cautionary statement. The forward-looking information contained herein is made as of the date of this document and the Corporation disclaims any intent or obligation to update publicly any such forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable Canadian securities laws.