



Maxim Power Corp. Enters into a Credit Agreement with ATB Financial and Provides Update on M2 Project

CALGARY, Alberta (December 19, 2019) – Maxim Power Corp. ("MAXIM" or the "Corporation") (TSX: MXG) announced today that it, and certain of its subsidiaries, entered into a credit agreement with ATB Financial ("ATB") for a thirty-five month term that provides for senior debt financing of up to \$44 million to support financing requirements of MAXIM's 204 MW power plant located near Grande Cache, Alberta ("M2") plus a cash collateralized letter of credit facility of \$8 million to replace MAXIM's current outstanding letters of credit for equal amounts.

Financing for M2 is provided under three credit facilities. The Corporation is able to borrow up to \$30 million under a construction loan that has a term of thirty-five months with an amortization requirement of ten years commencing when construction of M2 is complete. The Corporation is also able to borrow up to \$10 million under a revolving credit facility for the construction of M2. Upon completion of construction of M2, this revolving facility will become available for general corporate purposes and the Corporation will be able to access a second revolving credit facility to finance certain short-term working capital requirements up to \$4 million.

As previously announced, MAXIM had entered into a \$75 million revolving, one-year Convertible Loan on September 10, 2019 to finance the full construction of M2. In connection with the ATB credit agreement, the lenders under the Convertible Loan have agreed to subordinate the security granted under the Convertible Loan to the security granted to ATB under the ATB credit agreement. As at the date hereof, approximately \$41 million is outstanding under the Convertible Loan. MAXIM anticipates repaying approximately \$20 million owing under the Convertible Loan by December 31, 2019 by drawing on the ATB credit agreement. Repayment of the Convertible Loan principal will not otherwise be permitted during the initial thirty-five month term of the ATB loan unless there is undrawn capacity under the ATB credit agreement upon substantial completion of M2.

M2 Project Update

MAXIM currently anticipates that M2 will commence operation during the latter part of Q2, 2020. Construction is approximately 67% complete. MAXIM currently anticipates that the construction of M2 will cost approximately \$147 million (previously estimated to be approximately \$144 million), excluding financing costs. MAXIM has spent approximately \$128 million to date in connection with M2 and estimates the remaining cost to complete M2 is approximately \$19 million excluding financing costs.

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 features of the ATB credit agreement upon completion of M2, current cost estimates with respect to M2, the remaining costs to complete M2 and the applicable rules and regulations with respect to carbon taxation affecting M2, including the expected timing of exemptions therefrom. 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, continued compliance by MAXIM of its credit agreements, liquidity, interest rates, the availability and cost of financing, labor and services, the impact of increasing competition, changes in laws, regulations and government policies with respect to carbon taxation and the Corporation's ability to access capital.

With respect to forward-looking information contained in this document, the Corporation has made assumptions regarding, among other things: the scope and design of M2, that no change orders will be to cause the costs associated with M2 to vary, the timely receipt of any required regulatory approvals and the ability of the Corporation to obtain qualified staff, equipment and services in a timely and cost efficient manner; that no construction delays will occur with respect to M2; that the rules, laws, regulations and policies described herein with respect to carbon taxation will remain in effect in the manner provided herein; 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.