



Maxim Power Corp. Announces 2020 First Quarter Financial and Operating Results

CALGARY, Alberta (May 7, 2020) – Maxim Power Corp. ("MAXIM" or the "Corporation") (TSX: MXG) announced today the release of financial and operating results for the first quarter ended March 31, 2020. The unaudited condensed consolidated interim financial statements, accompanying notes and Management's Discussion and Analysis ("MD&A") will be available on SEDAR and on MAXIM's website on May 7, 2020. All figures reported herein are Canadian dollars unless otherwise stated.

FINANCIAL HIGHLIGHTS

<i>(\$ in thousands except per share amounts)</i>	Three Months Ended March 31,	
	2020	2019
Revenue	\$ 7,258	\$ 8,199
Adjusted EBITDA ⁽¹⁾	2,205	(1,034)
Net income (loss)	1,006	(1,794)
Net income (loss) per share – basic and diluted	\$ 0.02	\$ (0.03)
Total generation	42,301	121,716
Average Alberta market power price (\$ per MWh)	\$ 67.06	\$ 70.76
Average Milner realized power price (\$ per MWh)	\$ 171.45	\$ 67.29
Total debt	\$ 54,170	\$ -
Total assets	\$ 227,392	\$ 171,928

⁽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"). 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.

OPERATING RESULTS

Adjusted EBITDA and net income increased in the first quarter of 2020 when compared to 2019, primarily due to realizing power prices of \$171.45 per MWh in 2020, as compared to \$67.29 per MWh in 2019, fuel and carbon tax savings as a result of lower generation volumes, lower operations and maintenance costs and gains from commodity swaps. Higher realized prices and hedging gains resulted from dispatching the unit down and keeping it in a "warm", responsive state during low price periods.

MILNER 2 ("M2") DEVELOPMENT PROJECT

During 2020 MAXIM made significant progress on the construction of its 204 MW natural gas-fired power plant at its H.R. Milner site ("M2"). Construction of M2 is approximately 99% complete as of the date of this press release. MAXIM believes strongly that this asset will be a top performing facility in its class in the Alberta market. MAXIM currently estimates that total capital expenditures to construct M2, excluding borrowing costs, will be \$147 million and currently anticipates that M2 will commence commercial operations late in the second quarter of 2020. MAXIM is closely monitoring the potential effects of recent disruptions caused by the novel coronavirus (COVID-19) on M2 that are impacting access to products, services and labour as well as other relevant market and economic conditions. These disruptions may impact construction costs, timing of commercial operations and future profitability. MAXIM is exploring its option in the future to increase the capacity of the facility to approximately 300 MW, in conjunction with increasing the efficiency of the facility, by investing capital to expand M2 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 Alberta Electric System Operator ("AESO") Line Loss Rule for the period of January 1, 2006 to December 31, 2016. 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. The Corporation anticipates, based on the AESO's current published timelines that the collection of these prior overpayments and the time value of money component at the Bank of Canada Bank Rate plus 1.5%, will occur in the middle of 2021. On December 3, 2019, the AESO made application to the AUC seeking a Review and Variance of an AUC decision that, if approved, would enable the AESO to pursue year-by-year settlement of the historic period with first payments issued as early as the third quarter of 2020. MAXIM does not anticipate the AUC to rule on the Review and Variance application until the end of the second quarter of 2020.

OTHER DEVELOPMENT PROJECTS

MAXIM has permits to construct and operate electric power projects totalling 536 MW of generating capacity in Alberta, which are in addition to M2. Of this amount, 346 MW of generation capacity is at the Milner site and the remaining 190 MW of generation capacity is for the peaking station at Deerland. MAXIM also has a wind power development project, Buffalo Atlee, which has the development potential of up to 200 MW of wind generation capacity. As at the date of this press release, no definitive commitments have been made on these projects.

ANNUAL GENERAL MEETING

In response to the COVID-19 pandemic, MAXIM is discouraging physical attendance at MAXIM's annual meeting (the "Meeting") scheduled for 10:00 am (Calgary time) on June 12, 2020 and has decided to offer shareholders an opportunity to listen to the business to be conducted at the Meeting by teleconference. Shareholders not attending in person must vote on the matters not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) before the time of the Meeting. Further instructions on how to listen to the Meeting and how to vote in advance of the Meeting can be found in MAXIM's management information circular that will be posted on the MAXIM's website and on SEDAR. In line with the MAXIM's commitment to safety, in-person attendance by directors and senior management of MAXIM will be limited and will be subject to the orders, limitations, advice and guidance of the federal and provincial health ministries and other governmental authorities. Accordingly, MAXIM expects to only have a minimum number of in-person attendees present to conduct the formal business of the Meeting and does not intend to provide a corporate presentation after the Meeting.

About MAXIM

Based in Calgary, Alberta, MAXIM is one of Canada's largest truly independent power producers. MAXIM is now focussed entirely on power projects in Alberta. Its core asset – the 150 MW H.R. Milner Plant in Grande Cache, AB is reaching the end of its economic life just as M2, a state-of-the-art natural gas-fired power plant is expected to be commissioned in Q2, 2020. MAXIM is exploring its option 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 including its currently permitted gas-fired generation capacity in Alberta and permitting of its wind power generation project in Southern Alberta. 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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This press release contains forward-looking statements and forward-looking information (collectively "forward looking information") within the meaning of applicable securities laws relating to MAXIM's plans and other aspects of MAXIM's anticipated future operations, management focus, objectives, strategies, financial, operating and production results. Forward-looking information typically uses words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend", "may", "would", "could" or "will" or similar words suggesting future outcomes, events or performance. The forward-looking statements contained in this press release speak only as of the date thereof and are expressly qualified by this cautionary statement. Specifically, this press release contains forward-looking statements relating to: anticipated profitable earnings from development of generation capacity at the Milner site, the anticipated time periods of continued generation of electricity from Milner, the initial generation capacity of the Corporation's new facility at its Milner site, current development cost estimates to complete the same and anticipated completion dates, the Corporation's current estimate of the proceeds payable to the Corporation from the outstanding compliant relating to the AESO Line Loss Rule and the timeline to potentially receive any proceeds therefrom.

Forward-looking statements regarding MAXIM are based on certain key expectations and assumptions of MAXIM concerning, among other things, construction timelines and costs, regulatory decisions (including with respect to the AESO Line Loss), the ability of MAXIM to reliably generate electricity from its projects in the timelines and manners currently contemplated, current and future commodity and electricity prices, the price of MAXIM's common shares, regulatory developments, tax laws, future operating costs, the performance of existing and new facilities, the sufficiency and timing of budgeted capital expenditures in carrying out planned activities, the availability and cost of labor and services, the impact of increasing competition, conditions in general economic and financial markets, effects of regulation by governmental agencies, the ability to obtain financing on acceptable terms which are subject to change based on commodity prices, market conditions, and potential timing delays.

These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond MAXIM's control. Such risks and uncertainties include, without limitation: construction delays, cost overruns, adverse regulatory decisions, the impact of general economic conditions; volatility in market prices electricity and other commodities such as natural gas; industry conditions; currency fluctuations; environmental risks; incorrect assessments of the value of acquisitions; competition from other producers; the lack of availability of qualified personnel, changes in income tax laws, environmental laws or changes programs relating to the electricity industry in Alberta; hazards such as fire, explosion, and ability to access sufficient capital from internal and external sources.

Management has included the forward-looking statements above and a summary of assumptions and risks related to forward-looking statements provided in this press release in order to provide readers with a more complete perspective on MAXIM's future plans and operations and such information may not be appropriate for other purposes.

MAXIM's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that MAXIM will derive there from. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward looking statements are made as of the date of this press release and MAXIM disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.