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For Immediate Release
 November 7, 2017

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

CALGARY, Alberta (November 7, 2017) – Maxim Power Corp. ("MAXIM" or the "Corporation") announced today the release of financial and operating results for the third quarter ended September 30, 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 November 7, 2017. 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 unaudited condensed consolidated interim financial statements and MD&A for further details on discontinued operations.

FINANCIAL HIGHLIGHTS

	Three Months Ended September 30		Nine Months Ended September 30	
	2017	2016	2017	2016
<i>(\$ in thousands except per share amounts)</i>				
Revenue	\$ -	\$ 1,581	\$ 2,024	\$ 3,644
Net income (loss) attributable to shareholders				
Continuing operations	(3,281)	(3,334)	(18,271)	(20,153)
Discontinued operations	(2,156)	(16,698)	49,201	(16,236)
Total	(5,437)	(20,032)	30,930	(36,389)
Total per share – basic and diluted	\$ (0.10)	\$ (0.37)	\$ 0.57	\$ (0.67)
Total assets	\$ 181,236	\$ 295,286	\$ 181,236	\$ 295,286

OPERATING RESULTS

MAXIM's continuing operations are comprised of the Milner generating facility ("M1") and MAXIM's head office activities. M1 has not generated electricity since April 2017 due to continued record low Alberta power prices. Accordingly, results for the third quarter of 2017 reflect limited activities as compared to prior quarters.

During the third quarter of 2017, net loss attributable to shareholders from continuing operations was comparable to the same period in 2016.

During the first nine months of 2017, net loss attributable to shareholders from continuing operations decreased when compared to the same period in 2016. The change in this financial measure was primarily due to lower operating costs as a result of the temporary suspension of operations at M1, recoveries from the final resolution of the cooling tower claims, lower fuel and maintenance costs and realized gains on commodity risk management activities in the first quarter of 2017. This was partially offset by asset impairment charges recognized on intangible assets and property, plant and equipment in 2017.

SALE OF MAXIM POWER (USA), INC. ("MUSA")

As previously reported on August 10, 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 \$104 million USD inclusive of working capital. Net proceeds to MAXIM after accounting for debt and transaction costs were approximately \$83 million USD. After closing costs, reclassification of foreign currency adjustments and the final working capital adjustment, MAXIM recognized a gain on sale of \$31.6 million CAD.

MAXIM utilized \$8 million CAD of the net sales proceeds as collateral for letters of credit that are securing potential obligations of the Corporation and \$3 million USD to settle the second of three installment payments under the Federal Energy Regulatory Commission settlement agreement previously disclosed on September 26, 2016. MAXIM will utilize a further \$3 million USD for the final installment payment due in 2018. The remainder of the proceeds were converted to Canadian dollars in the second quarter of 2017 and will be held by MAXIM for strategic corporate purposes.

MILNER ("M1") GENERATION TEMPORARILY SUSPENDED

As previously reported on August 10, 2017, M1 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 75% through temporary layoffs while operations are suspended. MAXIM maintained a smaller operating team during the third quarter to undertake maintenance and repairs for a possible resumption of generation if power market conditions improve. Further plant staff reductions were made subsequent to the third quarter increasing the total layoffs to 88% on a year to date basis. A significant improvement in Alberta power prices in the current "energy only market" will be required to justify resuming operations.

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. MAXIM 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 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.