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For Immediate Release
December 23, 2016

Maxim Power Corp. Enters Agreement to Sell Maxim Power (USA), Inc. to Hull Street Energy

CALGARY, Alberta (December 23, 2016) - Maxim Power Corp. ("MAXIM" or the "Corporation") announced today that it has entered into an agreement (the "Agreement") to sell 100% of its ownership interest in its wholly-owned subsidiary Maxim Power (USA), Inc. ("MUSA") to an affiliate of Hull Street Energy, LLC, ("Hull Street Energy") for an implied enterprise value of \$106 million USD inclusive of anticipated working capital. Net proceeds to MAXIM after accounting for debt and transaction costs are anticipated to be \$84 million USD (the "Transaction").

MUSA is MAXIM's wholly-owned subsidiary that owns and operates MAXIM's five natural gas-fired electric generation facilities in the United States. These facilities have an aggregate generating capacity of 446 megawatts.

Hull Street Energy is a specialized private equity firm that targets power generation assets and other related businesses that are strategically positioned to benefit as the electricity industry transitions to a more sustainable future.

MAXIM intends to hold a special meeting of the shareholders to seek approval of the disposition during the first quarter of 2017. MAXIM shareholders, including all of its directors and officers, who collectively own or control approximately 42% of the outstanding common shares, have committed to vote in favour of the Transaction. The Transaction is anticipated to close during the first quarter of 2017, subject to receipt of all applicable regulatory approvals, MAXIM shareholder approval, completion of the buyer's financing, and the satisfaction of other closing conditions customary for a transaction of this nature.

Credit Suisse is acting as financial advisor to the board of directors of MAXIM for purposes of the Transaction. Following an extensive review and analysis of the Transaction and the consideration of other available alternatives, and after consulting with its financial and legal advisors, including the receipt of an opinion from its financial advisor as to the fairness from a financial point of view of the consideration to be received by MAXIM in the Transaction (such opinion as of the date of the opinion and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on review undertaken), the board of directors of MAXIM has unanimously determined that the Transaction is in the best interests of MAXIM and has approved the terms of the Agreement and unanimously recommends that shareholders of MAXIM vote in favour of the Transaction at the special meeting of MAXIM shareholders expected to be held in February 2017 to consider and approve the Transaction.

MUSA sale proceeds will be held by MAXIM for strategic corporate purposes, including providing the potential opportunity for MAXIM to invest in new projects in Alberta's power market which is expected to undergo significant reforms in the coming years. MAXIM currently owns and operates a number of operating and development stage projects and assets in Alberta, including HR Milner, a 150 MW coal-fired generating facility located near the town of Grande Cache, Alberta.

Further information regarding the Transaction will be contained in an information circular that MAXIM will prepare, file and mail in due course to its shareholders in connection with the special meeting of MAXIM shareholders. A copy of the Agreement will be available under the Corporation's SEDAR profile at www.sedar.com.

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 7 power plants in Alberta and the United States, having 603 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:

Michael R. Mayder, Senior Vice President, Finance and CFO, (403) 750-9311.

About Hull Street Energy

Hull Street Energy is a private equity firm that acquires, optimizes and grows power businesses through the application of industry leading risk management, efficiency enhancements and commodity contract structuring. Headquartered in Bethesda, Maryland, the team leverages its decades of experience and unique knowledge of North American electricity infrastructure, including fuel inputs, generation assets, transmission and distribution systems, and demand focused businesses such as retail supply, distributed generation, and micro-grid systems to build value for our investors and stakeholders. For further information about Hull Street Energy please see www.hullstreetenergy.com.

Cautionary Statement on Forward-Looking Information

This news release contains forward-looking information and statements which constitute "forward-looking information" under Canadian securities law and which may be material regarding, among other things, MAXIM's beliefs, plans, objectives, strategies, estimates, intentions and expectations. These include, but are not limited to, statements with respect to the completion of the Transaction, the timing of holding a special meeting of MAXIM shareholders to consider the Transaction, and the expected use of the cash proceeds from the Transaction by MAXIM. Forward-looking information and statements are typically identified by words such as "anticipate", "believe", "expect", "estimate", "forecast", "goal", "intend", "plan", "will", "may", "should", "could" and similar expressions.

The forward-looking information and statements contained herein are based on certain factors and assumptions, certain of which appear proximate to the applicable forward-looking information and statements contained herein, including assumptions as to the time required to prepare meeting materials for the MAXIM shareholder meeting, the timing of receipt of the necessary regulatory approvals and the satisfaction of and time necessary to satisfy the conditions to the closing of the Transaction. Such timing may change for a number of reasons, including unforeseen delays in preparing meeting materials, inability to secure necessary regulatory approvals in the time assumed or the need for additional time to satisfy the conditions to the completion of the Transaction. In addition, there are no assurances the Transaction will be completed. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Readers are cautioned that the foregoing list is not exhaustive.

Inherent in the forward-looking information and statements are known and unknown risks, uncertainties and other factors beyond MAXIM's ability to control or predict, which give rise to the possibility that MAXIM's predictions, forecasts, expectations or conclusions will not prove to be accurate, that its assumptions may not be correct and that its plans, objectives and statements will not be achieved. Actual results or developments may differ materially from those contemplated by the forward-looking information and statements. These risks and uncertainties include, but are not limited to: the risk that the timing of closing of the Transaction may not occur as set forth herein; the risk that the use of proceeds from the Transaction may be applied in a different manner than set forth herein; the risk that the Transaction may not be completed on the terms describe herein, or at all; risks associated with the power industry; commodity and power prices; the uncertainty of estimates and projections relating to power production, cash generation, costs and expenses; health, safety, litigation and environmental risks; and access to capital. Please refer to MAXIM's Annual Information Form dated March 28, 2016 for additional risk factors

relating to MAXIM. The Annual Information Form is available for viewing under the Corporation's profile on www.sedar.com. These forward-looking statements are made as of the date of this press release and the Corporation disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.