



Maxim Power Corp. Provides Updates on the M2 Return to Service, CCGT Expansion Project and Insurance Information

CALGARY, Alberta (December 13, 2022) – Maxim Power Corp. ("MAXIM" or the "Corporation") (TSX: MXG) provides an update regarding the return to service of the Milner 2 ("M2") facility following the non-injury fire incident (the "Incident") that occurred on September 30, 2022, a project update on the Combined Cycle Gas Turbine ("CCGT") expansion of M2, and an update on insurance information related to the Incident.

M2 RETURN TO SERVICE UPDATE

Following the Incident, MAXIM is continuing the process of disassembling and replacing M2's damaged air inlet filter house. At this time, the Corporation's most probable return to service date for the M2 facility is late July 2023. MAXIM continues to actively work with counterparties to improve on this schedule. Material updates regarding the return to service schedule will be provided as they become known.

M2 CCGT EXPANSION PROJECT UPDATE

As previously reported, start up of the CCGT expansion project will be delayed due to the Incident. Construction of the CCGT expansion project is currently greater than 99% complete, however, hot-commissioning activities cannot occur until M2 is returned to service. MAXIM anticipates that the hot commissioning activities will commence following the return to service of M2.

As previously noted, completion of the CCGT expansion of M2 will allow capture of waste heat that would otherwise exhaust into the atmosphere and turn it into useful low carbon electricity for the Alberta power grid. The CCGT expansion of M2 will reduce the intensity of carbon emissions by more than 60% compared to the legacy coal-fired H.R. Milner facility.

At this time, MAXIM forecasts it has sufficient liquidity to complete both the CCGT expansion of M2 and the replacement of the air inlet filter house and will fund these costs using cash on hand, available funds through the existing senior and subordinated credit facilities, and anticipated insurance proceeds, as required.

INSURANCE INFORMATION UPDATE

MAXIM reaffirms insurance coverage for the Incident, subject to the terms and conditions of the Corporation's Property Insurance ("PI") policy, including Business Interruption ("BI") provisions. The Corporation continues to progress an insurance claim for property damage and lost earnings under the PI policy. The PI policy provides \$200 million in total coverage, including BI. PI insurance coverage related to the property damage from the Incident is subject to a customary deductible. Sub-limitations on the BI provision of the PI policy include a 45-day deductible, a monthly cap of \$5.5 million gross margin (plus 10% margin allowance), and a policy cap of \$66 million total gross margin. The Corporation is comfortable that the PI policy limit of \$200 million, less any coverage related to the BI provision, is more than adequate to cover the property damage related to the Incident.

Additionally, MAXIM has submitted a claim for a delay in start up related to the Incident under its Course of Construction ("COC") insurance policy, which includes a provision for Delay in Start Up ("DSU") coverage. The Corporation is awaiting confirmation of coverage under this policy. The COC policy provides \$170 million in total coverage, including DSU. Sub-limitations on the DSU provision of the COC policy include a 45-day deductible (beyond the original commercial operation date of December 15, 2022) and a 18-month coverage term with a monthly cap of \$3.5 million gross margin up to a maximum DSU sub-limit of \$62 million. MAXIM is of the view that the DSU coverage applies to the Incident and is additional to the BI coverage, however notes that confirmation of coverage related to the DSU has not been received and proceeds from this policy are not assured.

NORMAL COURSE ISSUER BID

MAXIM will continue its Normal Course Issuer Bid ("NCIB") program for the August 29, 2022 to August 28, 2023 period. Under this NCIB program, the corporation may purchase for cancellation up to 2,500,000 common shares of the Corporation. Collectively under this program and as of the date of this press release, the Corporation has repurchased and cancelled 38,302 common shares for \$0.2 million. MAXIM's NCIB program is limited to \$2.5 million for the 2022 calendar year under the senior credit facility. Any excess is subject to approval from the lenders under the senior credit facility.

About MAXIM

Based in Calgary, Alberta, MAXIM is one of Canada's largest truly independent power producers. MAXIM is now focused entirely on power projects in Alberta. Its core asset – the 204 MW H.R. Milner Plant, M2, in Grande Cache, AB – is a state-of-the-art natural gas-fired power plant that commissioned in Q2, 2020. MAXIM is currently increasing the capacity of M2 to approximately 300 MW and concurrently will realize an improvement in the efficiency of the plant by investing in heat recovery combined cycle technology. In addition, MAXIM continues to explore additional development options in Alberta including its currently permitted gas-fired generation projects and the 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:

Bob Emmott, President and COO, (403) 263-3021

Kyle Mitton, CFO and Vice President, Corporate Development, (403) 263-3021

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 information concerning, among other things, the timing of resuming simple cycle operations and repairs, the timing of hot commissioning activities for the CCGT expansion project, anticipated insurance proceeds, liquidity and sources of funding to complete the CCGT expansion and replacement air inlet filter house, benefits from the CCGT expansion and increased capacity at M2 and the reduction of carbon emissions.

Forward-looking information is based on certain assumptions and analysis made by MAXIM in light of our experience and MAXIM's perception of historical trends, current conditions, expected future developments and other factors MAXIM believes appropriate under the circumstances. These include, among other things, assumptions regarding the timing of resuming simple cycle operations and repairs, the timing of hot commissioning activities, insurance coverage, MAXIM's current assessment of damages to the M2 facility and MAXIM's current expectations on its inability to generate electricity (and related revenue) from its Milner operations.

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. Risk factors include MAXIM's inability to repair the damage caused by the fire incident in a timely manner, or at all, that MAXIM will not continue to have access to its credit facilities or that it will be in default thereunder, that MAXIM may not be able to resume electricity generating (and associated revenue generating) activities in the timelines described herein, that MAXIM will not have access to the necessary labour, equipment and materials to conduct all necessary repairs and that MAXIM may not be covered by insurance for the subject damages, business interruption and delay in start up. Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect MAXIM's business, operations or financial results are included in the reports on file with applicable securities regulatory authorities, including but not limited to MAXIM's Annual Information Form for the year ended December 31, 2021, which may be accessed on MAXIM's SEDAR profile at www.sedar.com. 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.