



Press Release

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Ilios Dynamics and American DG Energy Sign International Distribution Agreement

Waltham, MA - October 22, 2009 - Ilios Dynamics, a company recently formed to develop and produce advanced heating systems for commercial and industrial applications, is pleased to announce it has signed an agreement naming American DG Energy as its exclusive distributor in the European Union (EU) and the five New England states. American DG Energy will also have non-exclusive rights to distribute Ilios Dynamics' product in the remaining parts of the United States and the world in cases where American DG Energy retains ownership of the equipment for its On-Site Utility business.

Under the agreement, American DG Energy will distribute Ilios Dynamics' ultra high-efficiency heating products – which are targeted primarily to high-usage commercial and industrial applications and typical of the established American DG Energy customer base. The two companies have agreed upon the initial term of five (5) years with an option for renewal. Distribution is expected to commence upon successful completion of the Ilios Dynamics product development, anticipated to require 24 months.

American DG Energy was selected by Ilios Dynamics based largely on its in-depth understanding of onsite energy usage and mitigation, as demonstrated by its success distributing Combined Heat & Power products manufactured by the Ilios Dynamics parent, Tecogen Inc. American DG Energy's On-Site Utility business of selling hot water and heat is a natural sales model for the Ilios Dynamics systems.

"This is an important initial step in the development of Ilios Dynamics. We are confident American DG Energy is the ideal partner for the launch of this new product," said Robert Panora, President of Ilios Dynamics. "In addition to their solid knowledge of the product application, American DG Energy is also actively exploring beyond its current Northeast base and into Europe. We are confident that American DG Energy will be firmly established in Europe when the first Ilios Dynamics product is launched around 2011."

"We are very excited to be selected for this role by Ilios Dynamics," said Barry Sanders, President of American DG Energy. "The Ilios Dynamics product will enable our customers to improve their heating efficiency two-fold while also making the same relative reduction in the system's carbon footprint. This is a totally unique and compelling product that we anticipate will have very widespread market appeal, especially here and in Europe where energy costs are high and carbon footprint is a concern."

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About Ilios Dynamics

Ilios Dynamics, a subsidiary of Tecogen Inc., was formed in April 2009 to develop and distribute a line of ultra high-efficiency heating products for commercial and industrial applications utilizing advanced thermodynamic principles. The Ilios Dynamics products will incorporate mechanical work to extract heat from the environment in order to supplement the chemical energy available in the fuel. The result is a significant boost in efficiency and carbon emissions benefit relative to conventional heating systems. Both Tecogen Inc. and American DG Energy Inc. will distribute Ilios Dynamics products. For more information please visit www.iliosdynamics.com.

About American DG Energy (AMEX:ADGE)

American DG Energy supplies low-cost energy to its customers through distributed power generating systems. The Company is committed to providing institutional, commercial, and small industrial facilities with clean, reliable power, cooling, heat and hot water at lower costs than charged by local utilities – without any capital or start-up costs to the energy user – through its On-Site Utility energy solutions. American DG Energy is headquartered in Waltham, Massachusetts. More information can be found at www.americandg.com.

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