



## Press Release

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### **Ilios Dynamics Announces Private Placement**

**Waltham MA, May 12, 2009** – Ilios Dynamics, a company dedicated to advanced heating systems for commercial and industrial applications, is pleased to announce a private placement of common stock.

Ilios Dynamics will sell in a non-brokered private placement approximately 2,000,000 shares of restricted common stock at a purchase price of \$0.50 per share. The proceeds of the offering will be used for the development and distribution of ultra-high efficiency heating products utilizing advanced thermodynamic principles for recovering heat.

“We believe the increased awareness of the need to improve efficiency and reduce carbon emissions has created a substantial commercial opportunity for this type of device” commented Ilios Dynamics’ Technology Advisor, Dr. George N. Hatsopoulos. “This particular energy sector, of space and water heating accounts for about 15% of our domestic fossil fuel use. Our society mistakenly considers the associated appliances – boilers, furnaces, and water heaters – as achieving about 80% of the best that could be achieved. In reality, the appliances currently in use achieve less than 10% of the best that could be achieved. It is a fact, even though it seems counterintuitive, that one can get heat out of the environment even if its temperature is well below freezing. Thus, by approaching our designs with more sophistication and augmenting their output with the free heat-energy that exists around us, we can achieve the desired results and use less than half of the fuel,” explained Dr. Hatsopoulos.

In a separate transaction associated with the formation of Ilios Dynamics, Dr. George N. Hatsopoulos and John N. Hatsopoulos purchased a total of 1,400,000 shares of restricted common stock of Ilios Dynamics from Tecogen Inc. at \$0.50 per share.

This press release does not and shall not constitute an offer to sell or the solicitation of any offer to buy any of the securities, nor shall there be any sale of the securities, in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any state.

#### **About Ilios Dynamics**

Ilios Dynamics, a wholly owned 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.

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**ILIOS DYNAMICS**

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