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Tecogen Agrees to Dismiss One Count in Pending Lawsuit against Aegis Energy

WALTHAM, Mass., November 8, 2006 - Tecogen Inc., the leading manufacturer of small natural gas-driven cogeneration modules, announced it has agreed to dismiss its patent infringement claim in a pending suit filed in the U.S. District Court of Massachusetts against Aegis Energy Services, Inc. and Aegenco, Inc. (together, Aegis Energy), leaving claims for unfair competition and unfair and deceptive acts, common law copyright, and copyright infringement of software and manuals.

"Tecogen agreed to the dismissal of its patent claim as a result of the review of discovery materials and in reliance on stipulations, representations and warranties agreed to by Aegis Energy in papers filed with the court," said Robert Panora, president of Tecogen. "The court order dismissing the claim states that if Tecogen subsequently receives information indicating that any of those stipulations, representations and warranties are inaccurate, false or misleading, then Tecogen can commence a new patent infringement claim against those companies."

The other claims left in the pending suit allege that Aegis Energy took advantage of its position as a Tecogen distributor to copy Tecogen's software, product designs and other intellectual property, and improperly used that propriety information to create and sell "knock-off" modules in place of Tecogen's modules. Mr. Panora commented, "We are continuing to vigorously pursue the remaining claims in order to protect years of R&D and innovation that produced the CM-60 TECOGEN® unit and the CM-75 High Output unit, which have earned Tecogen its reputation as an innovative and dependable supplier of cogeneration technology."

Tecogen initially designed its CM-60 TECOGEN® over 25 years ago. By 1987, one million total run hours were logged on Tecogen units at actual customer sites. A year later, the company introduced the CM-75 High Output unit. In 1990, the company sold its first low-emissions module in Southern California, followed by the introduction of the TecoNet(TM) state-of-the-art microprocessor control system in 1998. In 2002, the company's cogeneration modules were certified by ITS/ETL Semko, an OSHA-approved NRTL (Nationally Recognized Testing Laboratory for product safety certification), to be in compliance with national IEEE P1547/DO7 standards, "type-tested and approved" under NY State Interconnection Requirement, and successfully completed testing for compliance with California's Rule 21.

About Tecogen

Tecogen Inc. operates in the distributed generation market and is a leading manufacturer of natural gas fueled commercial and industrial cooling and cogeneration systems. Tecogen has an installed base of more than 1,800 units, which it supports through an established network of engineering, sales, and service support. Tecogen is based in Waltham, Massachusetts with service centers located in nine regions of the United States. For more information, please visit www.tecogen.com.