

TECOGEN

Natural Gas Engine-Driven Products

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Press Release

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Tecogen Announces the Creation of New Subsidiary, Ilios Inc.

Waltham, MA - May 5, 2009 - Tecogen Inc., a leading manufacturer of natural gas fueled commercial, industrial cooling and cogeneration systems today announced the creation of a wholly owned subsidiary, Ilios Inc., whose business focus will be advanced heating systems for commercial and industrial applications.

Ilios and its parent, Tecogen, will work collaboratively to develop and market ultra-high efficiency heating products utilizing advanced thermodynamic principles for recovering heat. The products will borrow from Tecogen's core technology, but also reconfigure the technology to suit the unique heating concept envisioned for Ilios's products. The key element in this technology is to get "work" from the fuel by means of a natural gas engine and use that work to extract heat from the environment. By supplementing the heating value of the fuel with energy extracted from the environment, the amount of fuel required for heating is reduced by a factor of more than two.

“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 Tecogen Director, 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.

The collaboration will leverage the capabilities of Tecogen while allowing Ilios to develop a new alternative energy opportunity. Research and development of a product will begin immediately with the goal of a product introduction within 18 months. The product will be distributed by both Tecogen and American DG Energy Inc.

About Tecogen

Tecogen is a leading manufacturer of Combined Heat and Power products including natural gas engine-driven cogeneration and air conditioning systems for industrial and commercial use. Tecogen systems supply electric power or cooling while heat from the engine is recovered and purposefully used at the facility. The benefits are reductions in both energy costs and greenhouse gas emissions. Tecogen has an installed base of more than 2,000 units supported by an established network of engineering, sales and service personnel across the United States. For more information, please visit www.tecogen.com.

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