

July 17, 2014



Ilios Inks Agreement and Sale with Sam DeSanto Company

WALTHAM, Mass., July 17, 2014 /PRNewswire/ -- Ilios Inc., a subsidiary of Tecogen® Inc. (NASDAQ: TGEN) today announced it signed a manufacturers' representative agreement with Sam DeSanto Company Inc. (SDCI), a Mid-Atlantic based HVAC and plumbing equipment supplier. Concurrent with the signing of the agreement, SDCI placed an order for an Ilios Water-Source High Efficiency Water Heater (Ilios HEWH-500-WS).

The Ilios unit is planned for installation at Landstown High School, Virginia Beach City Public Schools'(VBCPS) [Governor's STEM and Technology Academy](#). As the largest school division in the region, VBCPS understands the importance of [conserving resources and protecting the environment](#).

The unit will supply thermal energy for the schools hot water systems (HVAC heating and reheat) while simultaneously chilling water to maintain comfortable temperatures and dehumidification in the building. The Ilios product is uniquely designed to operate in this configuration; that is, its advanced thermodynamic cycle enables it to extract thermal energy from the occupied spaces and deliver that energy (through the "heat pump" cycle) at an elevated temperature to the school's hot water system. Under design conditions, each BTU of fuel will deliver three units of energy to the school – one in the form of air conditioning and two as hot water, thereby tripling the efficiency of the current system.

SDCI is headquartered in Rockville Maryland and services the Washington DC, Maryland, Virginia, Western Tennessee and Southern Delaware areas. The addition of the Ilios product line bolsters SDCI's capability for providing energy efficient heating and cooling products in the Mid-Atlantic region.

"We are very excited to include the Ilios products in our offering," said Jeff DeSanto, President of SDCI. "We believe this is truly the next step or should I say leap in efficiency for commercial water heating. Our territory has many opportunities for this type of product, and we look forward to a long and productive relationship going forward."

By installing the Ilios system, an estimated savings of \$35,000-\$40,000/year will be realized by the school. In addition to the monetary benefits the school will dramatically reduce their carbon footprint by offsetting their inefficient boiler and chiller plant. A significant reduction in criteria pollutants (compounds contributing to smog) is also realized by leveraging Tecogen's proprietary after-treatment system.

"Ilios products address markets and applications that are outside of typical Tecogen sales channels for cogeneration and chiller equipment," said Robert Panora, Tecogen's President and Chief Operating Officer. "Where cogeneration and chillers produce the most savings in

high-electric cost environments, Ilios products can provide a solution regardless of the electric rate, and can also be highly beneficial in rural regions where natural gas is not available due to the ability to run on propane. The water-source version of the Ilios product is especially suited to this region as they often have simultaneous heating and cooling needs in most institutional and hospitality facilities. The added benefit of the free cooling is really the exclamation point on the sell to the customer. We are excited for this new relationship, and look forward to more installations in the Mid-Atlantic region."

About Ilios

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. Products incorporate mechanical work to extract heat from the environment to supplement chemical energy available from natural gas or propane. The result is a significant boost in efficiency and reduced carbon emissions relative to conventional heating systems.

About Tecogen

Tecogen manufactures, installs, and maintains high efficiency, ultra-clean combined heat and power products including natural gas engine-driven cogeneration, air conditioning systems, and high-efficiency water heaters for industrial and commercial use. Tecogen has shipped 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.

Tecogen Media Contact Information:

David Garrison

Director of Finance

P: 781-466-6403

E: David.Garrison@tecogen.com

Tecogen Investor Contact Information:

John N. Hatsopoulos

P: 781-622-1120

E: jhatsopoulos@tecogen.com

SOURCE Tecogen Inc.