



## *News Release*

### **FOR IMMEDIATE RELEASE**

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## **American Power Group Receives Follow-On Orders Valued At \$600,000 For APG's S4000 Stationary Conversions From Its Largest Drilling Rig Customer**

**Lynnfield, MA – December 12, 2016 - American Power Group Corporation (OTCQB: APGI)** announced that its subsidiary, American Power Group, Inc. ("APG"), has received follow-on orders to convert additional stationary generators to APG's S4000 Turbocharged Natural Gas® Technology for a prominent drill rig customer. The customer whose name is being withheld for competitive reasons has already converted several hundred drilling rig engines to APG's dual fuel solution and has expressed interest in additional conversions in fiscal 2017. The orders are scheduled to be shipped during the November through January 2017 timeframe.

Lyle Jensen, American Power Group's President and Chief Executive Officer stated, "It is very encouraging to see signs that the oil and gas industry is putting drill rigs back to work and beginning to place orders for additional conversion of existing rigs as well selecting APG's dual fuel technology to be incorporated into their newest drill rig designs. Recent quotations and order activity in multiple shale regions in the United States and Canada indicate 2017 will be a much more active year than 2016 for APG."

Mr. Jensen added, "APG's dual fuel designs continue to be noted for its high up-time and ease of operation resulting in significant net savings at the lowest total cost of ownership. We are pleased to see leaders of the drill rig community select APG over other competitive offerings due to our reliability, flexibility, and consistent field performance."

### **About American Power Group Corporation**

American Power Group's subsidiary, American Power Group, Inc. provides cost effective sustainability products and services that promote the economic and environmental benefits of our alternative fuel and emission reduction technologies. Our patented *Turbocharged Natural Gas® Dual Fuel Conversion Technology* is a unique non-invasive software driven solution that converts existing vehicular and stationary diesel engines to run concurrently on diesel and various forms of natural gas including compressed natural gas, liquefied natural gas, conditioned well-head/ditch gas or bio-methane gas with the flexibility to return to 100% diesel fuel operation at any time. Depending on the fuel source and operating profile, our EPA and CARB approved dual fuel conversions seamlessly displace 45% - 65% of diesel fuel with cleaner burning natural gas resulting in measurable reductions in nitrous oxides (NOx) and other diesel-related emissions. Through our *Trident Associated Gas Capture and Recovery Technology*, we provide oil and gas producers a flare capture service solution for associated gases produced at their remote and stranded well sites. These producers are under tightening regulatory pressure to capture and liquefy the flared gases at their remote and stranded well sites or face significant oil output reductions. With our proprietary

Flare to Fuel™ process technology we can convert these captured gases into natural gas liquids (“NGL”) which can be sold as heating fluids, emulsifiers, or be further processed by refiners. Given pending federal methane capture regulations, we anticipate our next generation NGL processing systems will have the capability to convert the residual flared methane into pipeline quality natural gas that can be sold for a variety of dedicated and dual fuel vehicular, stationary, industrial and household uses. See additional information at: [www.americanpowergroupinc.com](http://www.americanpowergroupinc.com)

**Caution Regarding Forward-Looking Statements and Opinions**

With the exception of the historical information contained in this release, the matters described herein contain forward-looking statements and opinions, including, but not limited to, statements relating to new markets, development and introduction of new products, and financial and operating projections. These forward-looking statements and opinions are neither promises nor guarantees, but involve risk and uncertainties that may individually or mutually impact the matters herein, and cause actual results, events and performance to differ materially from such forward-looking statements and opinions. These risk factors include, but are not limited to, the fact that, our dual fuel conversion business has lost money in the last seven consecutive fiscal years and our flare gas capture and recovery business has yet to generate measurable revenues, the risk that we may require additional financing to grow our business, the fact that we rely on third parties to manufacture, distribute and install our products, we may encounter difficulties or delays in developing or introducing new products and keeping them on the market, we may encounter lack of product demand and market acceptance for current and future products, we may encounter adverse events economic conditions, we operate in a competitive market and may experience pricing and other competitive pressures, we are dependent on governmental regulations with respect to emissions, including whether EPA approval will be obtained for future products and additional applications, the risk that we may not be able to protect our intellectual property rights, factors affecting the Company's future income and resulting ability to utilize its NOLs, the fact that our stock is thinly traded and our stock price may be volatile, the fact that we have preferred stock outstanding with substantial preferences over our common stock, the fact that the conversion of the preferred stock and the exercise of stock options and warrants will cause dilution to our shareholders, the fact that we incur substantial costs to operate as a public reporting company and other factors that are detailed from time to time in the Company's SEC reports, including the report on Form 10-K for the year ended September 30, 2015 and the Company's quarterly reports on Form 10-Q. Readers are cautioned not to place undue reliance on these forward-looking statements and opinions, which speak only as of the date hereof. The Company undertakes no obligation to release publicly the result of any revisions to these forward-looking statements and opinions that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.