



News Release

FOR IMMEDIATE RELEASE

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American Power Group Corporation Launches Governmental Affairs Marketing Initiative

- APG's Ability To Reduce Harmful Diesel Related Emissions On Class 8 Engines At Forefront Of Campaign -**
- Goal Is To Expand Awareness and Eligibility For Federal, California, and State Air Pollution Programs -**

Lynnfield, MA –April 3, 2017 – American Power Group Corporation (OTCQB: APGI) today announced the launch of a significant governmental outreach and education initiative.

Dan Goodwin, APG's Vice President of Technical Marketing and Government Affairs, stated, "APG is implementing a multi-faceted strategic communications and government relations initiative with initial focus on the significant and immediate opportunities in the State of California as well those with national implications from Washington, D.C. We have retained Washington, D.C.-based Ogilvy Government Relations (www.ogilvygr.com) and the California lobbying firm of Gonzalez, Quintana, Hunter & Cruz, LLC (www.gqhlobby.com). Both firms will help educate key governmental decision makers on the practical application and immediate air quality benefits that APG's proven natural gas dual fuel technology can provide in significantly reducing harmful diesel emissions on high-horsepower diesel engines. APG's dual fuel solution also supports increased consumption of North America's abundant supply of clean-burning domestic natural gas accelerating America's efforts to become energy independent and enhancing our national security."

Mr. Goodwin added, "Leading the effort at Ogilvy for APG's Government Relations effort at the Federal Level and the newest member to APG's newly formed Strategic Advisory Committee is the Honorable Bud Albright, Principal at Ogilvy. Mr. Albright's full bio is on the Ogilvy website, but in summary, he 'has a 30 year distinguished record of government service and has held high ranking positions including Under Secretary at the Department of Energy, Deputy General Counsel at the Department of Housing and Urban Development, Deputy Associate Attorney General at the Department of Justice and Staff Director for the House Energy and Commerce Committee. Through all of these positions Mr. Albright has developed a keen understanding of how the political and the policy elements of Washington intersect.'"

Mr. Albright said, "I, along with our Ogilvy team of former senior government and private sector colleagues, look forward to working with American Power Group to help ensure the federal government understands and appreciates the proven environmental and economic benefits that APG's dual fuel technology brings to the table today. We aim to help

ensure that the laws and regulations promulgated at the federal level can begin to support, not impede, bringing those benefits to the public. As many have long recognized, meeting our energy and environmental needs will come about through the development of technology and APG's proven industry leading position in dual fuel solutions over the past five years dramatically reduces diesel-related emissions for many of the largest truck engines in operation. This is an exciting technology developed by a company with sound, visionary leaders. It is our commitment at Ogilvy to help bring about whatever change is needed at the federal level to enable APG technology to become the gold standard for high horsepower diesel engine efficiency."

Regarding APG's governmental affairs campaign in California, Will Gonzalez from Gonzalez, Quintana, Hunter, and Cruz LLC stated, "APG's technology, and the timing of their engagement in California policy, is what attracted our firm to the company and their management team. After nearly a decade focused on climate change issues, California policymakers are once again paying attention to the issue of ozone criteria pollution and the significant negative health impact diesel-related emissions from heavy-duty trucks are making on our state's most populous and disadvantaged communities."

Mr. Gonzalez added, "Since engaging with APG, we have exposed top California State and local regulators and legislative leaders to APG's technology, making sure legislation addressing clean air trucking and natural gas takes dual-fuel conversions into account. We are actively engaged in legislative discussions to ensure dual-fuel technologies can be marketed in California and qualify for state funded opportunities."

Lyle Jensen, APG's Chief Executive Officer added, "Through our governmental affair investments, we are gaining bipartisan support at both the federal and state levels once they understand we have an energy efficient technology available today that can, on average, displace 50% of the diesel fuel with clean burning natural gas and realize its associated diesel emission reduction benefits. These emission benefits are on a class of high-horsepower engines that are the #1 producer of NOx in the United States and have no other commercially viable alternative solution. It is only a matter of time before policy and practice come together."

About American Power Group Corporation

American Power Group's subsidiary, American Power Group, Inc. provides cost effective 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 nitrogen oxides (NOx) and other diesel-related emissions. Through our *Flare 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 Fueled By Flare™ 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. In addition, 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

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 or 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, 2016 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.