



News Release

FOR IMMEDIATE RELEASE

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American Power Group Announces APG International's Participation At AltFuels Mexico 2017 To Be Held April 4-7, 2017 At The World Trade Center of Mexico City

- Stricter Mexican Emission Regulations And Favorable Economics Driving Interest In APG's Dual Fuel Solution –

Lynnfield, MA –April 4, 2017 – American Power Group Corporation (OTCQB: APGI), today announced that its APG International division will be participating in the first major alternative fuels conference to be held in Mexico. AltFuels Mexico 2017 will be held at the Convention Center of the World Trade Center of Mexico City where experts and organizations from around the world will gather to address and exhibit the benefits of natural gas and the latest clean fuel technologies. Conference officials report over 130 companies are exhibiting their latest products and technologies with over 2,700 registered attendees from five continents. APG International is co-exhibiting at the conference with Gascomb, one of APG's Authorized Dealers and Certified Installers in Mexico.

Mario Blanco, American Power Group's Vice-President of International Sales and Marketing stated, "In January 2017, the Mexican government eliminated certain fuel subsidies for diesel and gasoline resulting in a 15% - 20% increase in diesel fuel prices which is causing fleets to look very seriously at natural gas solutions. Mexican officials report a multi-billion dollar investment is being made in expanding the natural gas pipeline infrastructure and adding hundreds of natural gas fueling stations in the next few years." Mr. Blanco noted, "APG's *Turbocharged Natural Gas*® vehicular dual fuel system provides fleets with a proven, cost effective solution to mitigate these fuel increases and serves as an incentive for Mexican fleets to use a lower cost and more stable priced fuel that is significantly more environmentally friendly. APG has been very active this past year with multiple Mexican fleet evaluation programs being completed and we expect a steady ramp of new orders occurring during the balance of 2017 and beyond."

Lyle Jensen, American Power Group Corporation's Chief Executive Officer stated, "During 2016, the Mexican Environmental Authority began announcing mandated cutbacks in daily fleet deliveries to major cities, like Mexico City for fleets that have not met the new reduced diesel-related emission requirements. If a fleet does not comply with the mandated emission reductions, their daily deliveries within certain populous areas could be cut back by almost 20% unless legacy diesel engines have been upgraded or replaced with a government approved diesel emission reduction technology." Mr. Jensen, added, "In late-December 2016, the Mexican Ministry of the Environment officially announced that trucks with EPA approved or CARB certified solutions, like APG's dual fuel solution, will allow the fleet to exempt themselves from the regulated delivery cutback. With over 500 EPA approvals covering twenty years of six different engine manufacturers, APG has a significant market advantage in growing the Mexican dual fuel markets where officials report over one million Class 8 trucks are in operation."

Mr. Jensen concluded, "Given what appears to be a perfect storm of higher diesel prices coupled with pressure to reduce diesel emissions, we feel the timing of our participation in AltFuels Mexico 2017 could not be better".

About Gascomb

Gascomb (www.gascomb.com) is an alternative fuel leader in Mexico offering some of the most advanced bi-fuel and dedicated vehicle conversion technologies available. Conversion of diesel and gasoline engines to run on dual fuel, bi-fuel, hybrid or 100% conversion to natural gas and propane are available.

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 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.