



News Release

FOR IMMEDIATE RELEASE

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American Power Group Launches Pacific Northwest Dual Fuel Initiative

-Two New Regional Authorized Dealers/Certified Installers Signed- -Initial APG Conversions Successfully Running on CNG and 20% Biodiesel Fuel Mix-

Lynnfield, MA – October 4, 2016 – American Power Group Corporation (OTCQB: APGI), announced today that its subsidiary, American Power Group, Inc. (“APG”), has signed two new Class 8 Authorized Dealers and Certified Installers to help launch APG’s dual fuel technology in the Pacific Northwest. The two new APG Dealer/Installers are:

- Truck Source which is located in Portland, Oregon and is a one-stop-shop for heavy-duty truck sales, service and parts.
- Truck ‘N Travel which is a full service TA Travel Center located north of Eugene in Coburg, Oregon and operates a Class 8 truck compatible CNG natural gas fueling station.

APG’s first Pacific Northwest dual fuel customer is GloryBee (www.glorybee.com) which is headquartered in Eugene, Oregon, and has been supplying honey, sweeteners, spices, dried fruits, nuts, oils and other quality ingredients to natural food manufacturers, bakeries, and retail stores for over forty years as a family-owned business. GloryBee is dedicated to multiple sustainability practices to reduce energy usage and lower production of greenhouse gasses to minimize their carbon footprint. Innovative GloryBee sustainability projects include photovoltaic rooftop solar system for power and heat, increased use of 20% biodiesel fuel mix, and increased use of inner-city bicycle deliveries to help reduce CO2 emissions.

Biodiesel is a renewable, clean-burning diesel replacement used in existing diesel engines and can be made from a diverse mix of resources such as recycled cooking oil, soybean oil, and animal fats. It is the first commercial-scale fuel produced across the U.S. to meet EPA’s definition as an Advanced Biofuel meaning the EPA has determined that it reduces greenhouse gas emissions by more than 50% when compared with petroleum based diesel fuel.

Howard James, GloryBee’s Maintenance Manager stated, “ In 2016, we added APG’s compressed natural gas (CNG) dual fuel technology to two of our trucks running on a 20% biodiesel fuel mix. These dual fuel trucks are expected to produce even cleaner fuel emissions and reduce additional greenhouse gasses compared to our current straight biodiesel initiative. We have been very pleased with APG’s dual fuel performance and expect to expand its adoption to additional trucks in our fleet.”

Lyle Jensen, American Power Group Corporation’s Chief Executive Officer stated, “The natural gas fueling infrastructure is starting to expand in the Pacific Northwest and we look forward to supporting the region and GloryBee’s future sustainability objectives with more dual fuel trucks. Existing Class 8 heavy-duty diesel trucks are a top contributor to poor air quality across the United States. APG has carved out a specialized niche where our EPA and CARB qualified

natural gas dual fuel technology is being recognized as one of the most effective diesel emission reduction solutions in the 13L to 15L Class 8 truck power range to reduce tailpipe criteria pollutants. Each year corporations can improve their sustainability results by replacing diesel fuel with natural gas, especially in the transportation of goods and services.”

Mr. Jensen added, “With the growing use of biodiesel fuel which the EPA estimates at 2.1 billion gallons in 2015, APG is positioned to enhance the environmental benefits of using CNG/LNG and biodiesel through the additional use of our natural gas turbocharged dual fuel solutions.”

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 to avoid any natural gas range anxiety. 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

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.