



ThermoEnergy Completes Facility Expansion to Support Significant Revenue Growth in 2012

WORCESTER, Mass. , Dec. 28, 2011 -- **ThermoEnergy Corp.(OTCBB: TMEN.OB)**, a diversified technologies company engaged in development and sales of municipal and industrial wastewater recovery and clean power generation technologies, has announced that it has completed a 28,000 square foot expansion that more than doubles the manufacturing space at the company's Worcester, Massachusetts corporate headquarters. "The expansion allows us to complete the manufacturing stage of our \$27 million contract with the City of New York to deploy an ammonia recovery system at the 26th Ward wastewater treatment plant by Jamaica Bay," said Cary Bullock, ThermoEnergy Corporation's Chairman and CEO. "The manufacturing stage of the contract is valued at \$13.7M and we expect much of that to be earned in 2012. We estimate that we now have manufacturing space capacity to support at least \$25 million dollars of sales revenue, and have begun preliminary steps to prepare for additional capacity expansion when needed."

ThermoEnergy announced the completion the engineering design phase of the NYC project in August and has now moved to procurement, fabrication and construction of the system components. Once in full operation, the company's Ammonia Recovery Process (ARP) will have the potential to prevent as much as 2.4 million pounds of ammonia from entering Jamaica Bay each year, helping the City to achieve its goal of improving the health of Jamaica Bay as outlined under Mayor Bloomberg's Jamaica Bay Watershed Protection Plan.

About ThermoEnergy

Founded in 1988, ThermoEnergy is a diversified technologies company engaged in the worldwide development, sales and commercialization of patented and/or proprietary municipal and industrial wastewater treatment and power generation technologies. Additional information on the Company and its technologies can be found on its website at www.thermoenergy.com.

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