



ALLIANCE
ADVISORS

September 27, 2010

Dear ThermoEnergy Corporation Shareholder,

Alliance Advisors, LLC was engaged in August 2010 by ThermoEnergy Corporation (TMEN) as the Company's investor relations counsel. Alliance Advisors is excited to be working once again with ThermoEnergy's management team on a proactive investor communications program. The Alliance team believes that your Company represents an excellent investment opportunity based on the company's recent commencement of the New York City municipal wastewater contract, the expanding relationship with Babcock Power for the Company's ZEBS process and a top-notch experienced management team. We believe these factors put ThermoEnergy in an excellent position to broaden their exposure worldwide and increase their revenue base, which will result in increased shareholder value. We are pleased to make your acquaintance through this initial communication and look forward to speaking with you personally in the future about exciting developments at the Company.

ThermoEnergy has spent nearly two decades and over \$20 Million to date developing state of the art, patented and proprietary wastewater treatment and power generation technologies that are focused in saving clients' money and helping them operate more efficiently. Globally recognized, ThermoEnergy's technologies have won multiple awards on the wastewater treatment side, ThermoEnergy is poised to revolutionize the municipal wastewater treatment market while continuing to rebuild the Company's industrial pipeline. Additionally, ZEBS, a developmental technology being commercialized with Babcock Power Inc., is expected to enable the repowering of 'end of life' coal fired plants, giving them essentially the life of a new plant at roughly half the cost, while also capturing CO2 and other harmful emissions.

Clean water is a global challenge and a key concern in many industries and municipalities. The nitrogen produced by many industrial processes and municipal wastewater can cause uncontrolled algae blooms and severely compromised ecosystems. The wastewater treatment market addressed by the Company is estimated to be \$16 Billion, and the Company has already signed a revolutionary contract with the City of New York for \$27.1 Million. ZEBS addresses a market estimated to be \$65-\$100 Billion and the company has a joint venture with Babcock Power to commercialize this technology which can be used both in the repowering of existing coal fired plants and building new plants. ThermoEnergy has 2 U.S. patents and 8 foreign patents issued with an additional 2 foreign patents pending.

The Company's recently appointed senior management is extremely talented with years of experience both internationally and within the water and power generation industry. CEO and President Cary Bullock is extremely knowledgeable about developing energy and infrastructure technologies having been in various roles at GreenFuel Technologies, Excelergy, KENETECH, Xenergy (now KEMA), and FPL Energy Services, to name a few companies. Ted Klowan has taken on the role of Executive Vice President and CFO, having worked as a CPA and in various roles at Ernst & Young, Waters Corporation and Helix Technology.

Alliance Advisors is a firm believer that now is an opportune time to broaden the level of investor awareness for ThermoEnergy. As the company continues to execute on their business plan and communicate effectively with investors, we believe an enhanced value will be created for long-term shareholders.

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Alliance Advisors has enclosed a two page corporate profile detailing the Company's recent highlights and corporate strategy. We look forward to communicating future developments as ThermoEnergy continues to reach key milestones.

To ensure we communicate all material ThermoEnergy events to you, we kindly request you provide us with your contact information on the "Fax Back Reply" included, or directly via email to bkobel@allianceadvisors.net. For immediate attention, please do not hesitate to contact any member of our team below.

Kind regards,

Contact

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