



CONTACT:

Kathryn Morris, **puraDYN**
Director, Corporate Communications
(T) 561 547 9499, x 226
investor-relations@puradyn.com
<http://www.puradyn.com>

Puradyn Announces 2nd Quarter Financial Results

- 36% increase in 2006 net sales YTD over comparable period in 2005 -

Boynton Beach, FL – [August 15, 2006] - Puradyn Filter Technologies Incorporated (OTCBB: PFTI), the global bypass oil filtration system manufacturer, today reported results of operations for the second fiscal quarter ended June 30, 2006.

Net sales for the second quarter 2006 were \$855,000 as compared to \$639,000 for the second quarter 2005. Net sales year-to-date were \$1.68 million compared to \$1.24 million for the same period in 2005. Net sales increased 34% for the second quarter of 2006 and 36% year-to-date for the comparable period in 2005.

The Company reported a net loss of \$631,000 or (\$0.02) per share, basic and diluted, for the quarter ended June 30, 2006, compared to a net loss of \$723,000 or (\$0.04) per share, basic and diluted, for the same period in 2005. Basic and diluted weighted average shares used in the calculation for the three months ended 2006 and 2005 were 25,349,432 and 18,991,477, respectively.

Cost of products sold for the 2nd quarter increased by approximately 3%, from \$633,000 in 2005 to \$649,000 in 2006; however, cost of products sold as a percentage of sales decreased from 99% in 2nd quarter 2005 to 76% in 2006, and from 102% for the six months ended June 30, 2005 to 75% for the comparable period in 2006. The decrease in both the three- and six-month time periods in 2006 is primarily attributable to improvements in raw material sourcing and product price increases.

Kevin G. Kroger, President and COO, stated, “Net sales for the second quarter of 2006 represent the third consecutive quarter of growth. This momentum for growth is attributed to industries becoming more aware of costs associated with oil-related equipment maintenance and certain key evaluations that have been in progress for the past several months that have either completed or are in the final stages. Two examples, previously reported, are the Colombian bus consortium purchase order for additional **puraDYN** systems and the international energy resource company that will be retrofitting **puraDYN** equipment at coal mines in the Southwest U.S. Additionally, we continue our progress with the U.S. Military evaluations.

“The Company continues aggressively to pursue financing alternatives to strengthen its cash and working capital requirements pending further improvement in its sales.

“On the corporate level, our Company-wide directive is to continuously implement ways to reduce our cost of goods while improving quality to our customers. A number of internal cost-saving measures carried over from 2005 have had a positive effect on our bottom line.”

Kroger concluded, “The **puradYN** system represents a packaged solution to many of the oil-related maintenance challenges facing any fleet in that we safely and significantly extend oil drains, reduce engine oil usage, disposal, and related maintenance costs.”

For further discussion relevant to the Company’s financial status, you can request a copy of the Company’s quarterly report of Form 10-QSB, at 561 547 9499, or go to the Investor Relations section of the Company’s website at www.puradyn.com. A copy is also available at the SEC website, www.sec.gov.

About Puradyn Technologies Incorporated

Puradyn (OTCBB: PFTI) designs, manufactures and markets the **puradYN**[®] Bypass Oil Filtration System, the most effective filtration product on the market today. It continuously cleans lubricating oil and maintains oil viscosity to safely and significantly extend oil change intervals and engine life. Effective for internal combustion engines, transmissions and hydraulic applications, the Company’s patented and proprietary system is a cost-effective and energy-conscious solution targeting an annual \$13 billion potential industry. **puradYN**[®] equipment has been certified as a ‘Pollution Prevention Technology’ by the California Environmental Protection Agency and was selected as the manufacturer used by the US Department of Energy in a three-year evaluation to research and analyze performance, benefits and cost analysis of bypass oil filtration technology.

STATEMENTS IN THIS PRESS RELEASE WHICH ARE NOT HISTORICAL DATA ARE FORWARD-LOOKING STATEMENTS WHICH INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES OR OTHER FACTORS NOT UNDER THE COMPANY’S CONTROL, INCLUDING BUT NOT LIMITED TO THE POSSIBLE INABILITY TO RAISE CAPITAL FUNDS, LACK OF PROTECTION FROM INTELLECTUAL PROPERTY, VULNERABILITY BECAUSE OF MANUFACTURING A LIMITED NUMBER OF PRODUCTS, DEPENDENCE ON DISTRIBUTORS, ORDERS PREVIOUSLY STATED IN THIS PRESS RELEASE MAY NOT MATERIALIZE, AND THE POSSIBILITY THAT THE PRODUCTS DO NOT MEET CUSTOMERS’ NEEDS, WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE COMPANY TO BE MATERIALLY DIFFERENT FROM THE RESULTS, PERFORMANCE OR OTHER EXPECTATIONS IMPLIED BY THESE FORWARD-LOOKING STATEMENTS. THESE FACTORS INCLUDE, BUT ARE NOT LIMITED TO, THOSE DETAILED IN THE COMPANY’S PERIODIC FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION.

Puradyn Filter Technologies Incorporated
Condensed Consolidated Statements of Operations
For the Three Months and Six Months Ended June 30, 2006 and 2005
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Net sales	\$ 855,315	\$ 639,090	\$ 1,678,059	\$ 1,236,783
Costs and expenses:				
Cost of products sold	648,865	632,640	1,264,242	1,257,155
Salaries and wages	354,636	339,382	690,067	707,899
Selling and administrative	250,890	325,184	519,069	684,833
Stock based compensation	120,131	(34,263)	156,716	(68,478)
	<u>1,374,522</u>	<u>1,262,943</u>	<u>2,630,094</u>	<u>2,581,409</u>
Loss from operations	(519,207)	(623,853)	(952,035)	(1,344,626)
Other income (expense):				
Interest income	12,392	13,098	24,687	25,765
Interest expense	(124,151)	(112,436)	(253,364)	(226,078)
	<u>(111,759)</u>	<u>(99,338)</u>	<u>(228,677)</u>	<u>(200,313)</u>
Total other expense, net	(111,759)	(99,338)	(228,677)	(200,313)
Net loss before income tax expense	(630,966)	(723,191)	(1,180,712)	(1,544,939)
Income tax expense	-	-	-	-
Net loss	<u>(630,966)</u>	<u>(723,191)</u>	<u>(1,180,712)</u>	<u>(1,544,939)</u>
Basic and diluted loss per common share	<u>(.02)</u>	<u>(.04)</u>	<u>(.05)</u>	<u>(.08)</u>
Weighted average common shares outstanding	<u>25,349,432</u>	<u>18,991,477</u>	<u>24,567,388</u>	<u>18,227,542</u>

See accompanying notes to condensed consolidated financial statements.