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## **Puradyn Announces 3<sup>rd</sup> Quarter Financial Results**

*- 31% increase in 2006 net sales YTD over comparable period in 2005 -*

**Boynton Beach, FL – November 14, 2006 - Puradyn Filter Technologies Incorporated** (OTCBB: PFTI), manufacturer of the **puraDYN**<sup>®</sup> bypass oil filtration system, today reported results of operations for the third fiscal quarter ended September 30, 2006.

Net sales for the third quarter 2006 increased by 19%, to \$641,000 as compared to \$538,000 for the third quarter 2005. Net sales year-to-date (YTD) increased by 31%, to \$2.32 million compared to \$1.78 million for the same period in 2005.

The Company reported a net loss of \$639,000 or (\$0.03) per share, basic and diluted, for the quarter ended September 30, 2006, compared to a net loss of \$800,000 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 25,355,915 and 22,276,099, respectively.

The Company's YTD net income includes an increase of approximately \$165,000 over last year's non-cash compensation expense, related to certain variable equity awards and other stock-based compensation.

Cost of products sold increased by 15% from \$475,000 in third quarter 2005 to \$544,000 in third quarter 2006, and by 4%, from \$1.73 million in 2005 YTD, to \$1.8 million in 2006 YTD. Cost of products sold, as a percentage of sales, decreased from 88% in the three months ending September 30, 2005 to 85% for the same time period in 2006, and from 98% for 2005 YTD to 78% 2006 YTD. The reduction is primarily due to continuous improvement in raw material sourcing and improved facility utilization.

Selling and administrative expenses decreased by approximately \$106,000, or 10%, from \$1,049,000 in 2005 YTD, to \$943,000 for the same time period in 2006. There was a \$260,000 decrease in expenses related to fluctuation in exchange rates, a reduction in travel, entertainment and lodging expenses as well as a reduction in deferred finance costs and patent expenses. However, this was offset by an increase in non-cash stock-related expenses of \$154,000.

Kevin G. Kroger, President and COO, stated, "During the third quarter 2006, the Company continued to achieve meaningful growth in sales while continuing to streamline expenses. We have focused on our business plan and the entire Company has embraced the ongoing challenge of continuously improving the quality of our product and service to our customers while researching innovative ways to improve the bottom line. The new 2007 emissions requirements have presented challenges to fleet owners that we are equipped to address.

"The environmental benefit of the **puraDYN** bypass filtration system, saving up to 90% of a working fleet's oil usage and handling, address our responsibility to conserve natural resources in a forward-thinking and common sense manner."

Kroger concluded, "The **puraDYN** system is a safe and dependable 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 on Form 10-QSB, at 561 547 9499, or go to the Investor Relations section of the Company's website at [www.puradyn.com](http://www.puradyn.com). A copy is also available at the SEC website, [www.sec.gov](http://www.sec.gov).

**About Puradyn Technologies Incorporated**

Puradyn (OTCBB: PFTI) designs, manufactures and markets the **puradYN**<sup>®</sup> 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 \$18 billion potential industry. **puradYN**<sup>®</sup> 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 Nine Months Ended September 30, 2006 and 2005  
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Net sales	\$ 641,303	\$ 538,443	\$ 2,319,362	\$ 1,775,225
Costs and expenses:				
Cost of products sold	545,105	474,626	1,800,109	1,731,780
Salaries and wages	351,619	445,664	1,044,010	1,043,563
Selling and administrative	260,055	322,409	942,753	1,048,765
	<u>1,156,779</u>	<u>1,242,699</u>	<u>3,786,872</u>	<u>3,824,108</u>
Loss from operations	(515,476)	(704,256)	(1,467,510)	(2,048,883)
Other income (expense):				
Interest income	13,011	12,838	37,698	38,603
Interest expense	(136,810)	(108,897)	(390,175)	(334,976)
Total other expense, net	(123,799)	(96,059)	(352,477)	(296,373)
Loss before income taxes	(639,275)	(800,316)	(1,819,987)	(2,345,255)
Income tax expense	-	-	-	-
Net loss	<u>(639,275)</u>	<u>(800,316)</u>	<u>(1,819,987)</u>	<u>(2,345,255)</u>
Basic and diluted loss per common share	<u>\$ (0.03)</u>	<u>\$ (0.04)</u>	<u>\$ (0.07)</u>	<u>\$ (0.12)</u>
Weighted average common shares outstanding	<u>25,355,915</u>	<u>22,276,099</u>	<u>24,833,119</u>	<u>19,591,962</u>

See accompanying notes to condensed consolidated financial statements.