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## **Puradyn Reports 2005 Year End Financial Results**

*- Strong 2005 fourth quarter sets foundation for 2006 -*

**Boynton Beach, FL – April 4, 2006 - Puradyn Filter Technologies Incorporated** (OTCBB: PFTI) today announced financial results for the fiscal year ended December 31, 2005. Net sales for the year totaled approximately \$2.5 million, approximately the same as the previous year. Net loss was approximately \$3.19 million or (\$0.16) per share, basic and diluted, as compared with a net loss of approximately \$3.58 million or (\$0.21) per share, basic and diluted, in the previous year.

The loss from operations decreased to approximately \$2.8 million in 2005 compared with approximately \$3.3 million in 2004 due to increased savings from cost reduction efforts in selling, general and administrative (SG&A) expenses and salaries. Cost of sales decreased by approximately \$106,000 from approximately \$2.5 million in 2004 to approximately 2.4 million in 2005.

Kevin G. Kroger, President and COO, stated, “2005 sales gained momentum in the fourth quarter, leading to a strong finish to 2005 and creating a substantial backlog of orders going into first quarter 2006, positioning us to what we believe to be a good foundation for the coming year. Company strategy committed to in 2004 and 2005, as outlined in previous releases, is now beginning to exhibit results.

“Earlier this year, the **puraDYN**<sup>®</sup> bypass oil filtration system was ordered by the U.S. Military to be installed on new trucks that Freightliner LLC is supplying for foreign military sales. The Military continues testing and working with Puradyn in 2006 on identifying appropriate applications for installation of the **puraDYN** system.

“As of 2005, the **puraDYN** system is now being installed by one of the largest U.S. suppliers of construction aggregates.

“Test results announced in 2005 showed a private truck carrier, using the **puraDYN** system with premium oil, going over 1.5 million miles without an engine overhaul and the engine showing good condition. Miami-Dade (Florida) General Services Administration garbage fleet has approximately 200 trucks in the County fleet that have gone over three years without an oil change using the **puraDYN** system.

“Most recently, the Company was able to announce the results of a joint test conducted with a major oil company in which the **puraDYN** system performed at higher than expected levels as a deterrent to premature engine wear in engines equipped with the latest emission control devices. Test results can be found on our website at [www.puradyn.com](http://www.puradyn.com).”

Kroger continued, "Additionally, the Company has advanced its product line by acting as distributor and master distributor, respectively, for products that complement our bypass oil filtration system, such as the On-Site Oil Analyzer by MotorCheck™, which combines optical emission and infrared oil analysis, and the Rentar® Fuel Catalyst, which is specifically designed to increase the efficiency of diesel engines by increasing fuel efficiency and reducing harmful emissions.

"Based on the success that Puradyn has had, we were able to introduce the Rentar system to the U.S. Military at a demonstration and presentation to top ranking military officials in January 2006. We have been advised by the military that as a result of this successful demonstration, the Rentar system has been viewed as having 'high potential military utility'."

Kroger concluded, "We are looking forward to 2006 and are greatly encouraged by the response we are receiving from this latest testing with a major oil company as well as our continuing work with the military. As stated in past releases, we believe the **paraDYN** system represents an ideal and cost-effective solution for any fleet interested in safely extending engine oil drains, maintaining continuously clean oil and reducing oil handling and maintenance costs. The urgent need for bypass filtration is finally being realized."

The Company's annual report on Form 10-KSB is available from the SEC website at <http://www.sec.gov> or the Investors Relations section of the Company's website at <http://www.puradyn.com>.

#### **About Puradyn Filter Technologies Incorporated**

Puradyn (OTCBB: PFTI) designs, manufactures and markets the **paraDYN**® 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  
Consolidated Statements of Operations

	Year Ended December 31	
	2005	2004
Net sales	2,475,285	\$ 2,472,059
Costs and expenses:		
Cost of products sold	2,420,145	2,525,981
Salaries and wages	1,404,788	1,661,923
Selling and administrative	1,444,038	1,591,100
	5,268,971	5,779,004
Loss from operations	(2,793,686)	(3,306,945)
Other (expense) income:		
Interest income	63,365	53,560
Interest expense	(460,473)	(334,383)
Total other expense	(397,107)	(280,823)
Net loss	(3,190,794)	\$ (3,587,768)
Basic and diluted loss per common share	\$ (0.16)	\$ (0.21)
Basic and diluted weighted average common shares outstanding	20,268,512	17,278,448

**Balance Sheet Highlights  
As of December 31, 2005**

Cash and Cash Equivalents	\$ 155,557
Total Stockholder's deficit	(4,074,846)