



Puradyn Reports 2007 Fiscal Year End Financial Results

- 2007 and early 2008 activity sets strong base for the year -

Boynton Beach, FL - [March 31, 2008] - Puradyn Filter Technologies Incorporated (OTCBB: PFTI) today announced financial results for the fiscal year ended December 31, 2007. Although net sales increased marginally by approximately \$10,000 from approximately \$3.07 million in 2006 to approximately \$3.08 million in 2007, sales of Puradyn products actually increased by 11%, or \$343,000. A reduction in sales of Rentar units, for which Puradyn is a distributor, accounted for a decrease of approximately \$205,000 in gross sales for 2007 as compared to 2006. Domestic sales increased approximately \$138,000 in 2007 as compared to 2006. Net loss in 2007 was approximately \$2.44 million or (\$0.09) per share, basic and diluted, as compared with a net loss of approximately \$2.65 million or (\$0.10) per share, basic and diluted, in the previous year.

Loss from operations decreased to approximately \$1.88 million in 2007 compared with approximately \$2.18 million in 2006 due to increased sales and savings from cost reduction efforts in selling, general and administrative (SG&A) expenses and salaries. Cost of sales increased by approximately \$265,000, from approximately \$2.56 million in 2006 to approximately \$2.83 million in 2007, attributable to the increase in raw material cost. To offset this increase, product price increases went into effect on January 1, 2008.

Kevin G. Kroger, President and COO, stated, "The early months of 2008 helped to start the year with a strong backlog, part of which is attributed to late 2007 activity. Incremental year-end sales revenue over the past 4 years indicates that the company continues to move in the right direction. Even with progress made with individual customers, our business revenue in 2007 did not meet management expectations.

"Several years ago we elected to concentrate our sales efforts on original equipment manufacturers (OEMs) and similar large companies in construction, mining and power generation industries. While knowing this can take years to develop due to the extensive engineering processes and tests our product has to undergo, the success can be extremely rewarding. We are now in the final stages, or have completed successfully, many of these evaluations and expect in the coming months to see the fruits of our labor. In addition, the high cost of oil that now has everyone's attention is helping to change the thought process to understand that oil life can be safely extended to substantially reduce oil costs."

Kroger continued, "Last year we announced that Wastequip, Inc., the leading manufacturer of waste handling, recycling and material handling equipment was named exclusive distributor of the Puradyn system for the waste industry.

"We also saw one of our long-term customers exceed 100 million miles on its fleet of 100 trucks without an oil-related oil change. This accomplishment has received the attention of several similar, large potential customers. In addition, we entered into new markets for filtration around the globe. All these activities contribute to the Company's firm foundation for continued growth.

"Our international business is showing solid growth as total international sales accounted for 51% of our consolidated net sales. We've recently entered into a Master Distributor agreement with Filter Solutions Ltd. to handle business for us in the UK, mainland Europe and Ireland, which we expect will reduce our annual UK operating costs by approximately \$200,000 on a consolidated basis."

Mr. Kroger concluded, "2008 is anticipated to be a breakout year for Puradyn in both the domestic and international marketplace. The issues of oil conservation, biodiesel fuel, rising oil costs and the necessity of condition-based maintenance procedures have all converged and are impacting how industries that use oil, whether in the form of fuel, lubricating oil or hydraulic oil for their equipment, are going to be doing business now and in the future. Puradyn's technology is instrumental in assisting equipment companies reduce their environmental footprint and save significant oil-related costs by reducing oil usage up to 90%."

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 **puradYN**[®] Oil Filtration System, the most effective bypass 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 \$15 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.

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Puradyn Filter Technologies Incorporated Consolidated Statements of Operations

| | Year Ended December 31 | |
|---|------------------------|-----------------------|
| | 2007 | 2006 |
| Net sales | \$ 3,082,873 | \$ 3,072,947 |
| Costs and expenses: | | |
| Cost of products sold | 2,831,560 | 2,566,572 |
| Salaries and wages | 1,074,519 | 1,348,335 |
| Selling and administrative | 1,061,828 | 1,343,651 |
| | <u>4,967,907</u> | <u>5,258,558</u> |
| Loss from operations | (1,885,034) | (2,185,611) |
| Other (expense) income: | | |
| Interest income | 32,516 | 50,413 |
| Interest expense | (588,583) | (518,265) |
| Total other expense | <u>(556,067)</u> | <u>(467,852)</u> |
| Income taxes | -- | -- |
| Net loss | <u>\$ (2,441,101)</u> | <u>\$ (2,653,463)</u> |
| Basic and diluted loss per common share | <u>\$ (.09)</u> | <u>\$ (.10)</u> |
| Basic and diluted weighted average common shares Outstanding | <u>28,322,903</u> | <u>25,385,294</u> |

See accompanying notes to consolidated financial statements.

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