



Puradyn Announces 2nd Quarter Financial Results

Boynton Beach, FL – [August 14, 2008] - 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, 2008.

Net sales increased by approximately 1%, or \$5,000, for the second quarter 2008 to approximately \$792,000 as compared to approximately \$787,000 for the second quarter 2007. Net sales year-to-date for the six month period were comparable for 2008 and 2007, at \$1.55 million. This is a result of one of our largest customers postponing purchases while awaiting installation of new maintenance procedures. However, excluding this customer's decrease in sales of approximately \$184,000, total consolidated sales have actually increased by approximately \$186,000 or 12%.

Cost of products sold decreased by approximately \$60,000, or 9%, in the three-months ending June 30, 2008 as compared to the same time period in 2007; and by approximately \$83,000, or 6%, from \$1.35 million in 2007 to \$1.27 million in 2008 for the six-months ended June 30. Cost of products sold, as a percentage of sales, decreased from approximately 87% for the six months ended June 30, 2007 to approximately 81% for the same period in 2008. This decrease is attributable to reductions in indirect factory wages, factory overhead and scrap expense.

The Company reported a net loss of \$399,000 or (\$0.01) per share, basic and diluted, for the quarter ended June 30, 2008, compared to a net loss of \$498,000 or (\$0.02) per share, basic and diluted, for same period in 2007. Basic and diluted weighted average shares used in the calculation for the three-months ended 2008 and 2007 were 32,447,852 and 27,514,923, respectively.

Joseph V. Vittoria, Chairman and CEO, stated, "Given the fact that our quarterly and annual reports have not shown the increase in sales revenue we expected to achieve over the past 12 months, we feel an explanation to our stockholders is in order. At the same time, we would like to update our stockholders as to the Company's state of affairs.

"During the past 18 months, we have concentrated on the following areas:

"Certain original equipment manufacturers (OEMs) which have been under evaluation and review for some time will bring our product in as either optional or mandatory factory installation. We are also well along in the evaluation process and in certain instances with initial deliveries, with:

- A major international port-servicing company
- International bus companies
- Remote area large generators used for oil well-drilling and pumping
- International ship engines and generators
- Agricultural equipment where high-percentage bio-diesel fuel is used
- Any equipment using high-sulfur fuels
- Mining operations
- US Military and private companies servicing the military

"It became apparent a few years ago that it would be necessary to concentrate on the above-selected accounts which could bring larger volume. Revenue from replacement filters has more than doubled in recent years proving that the puradYN® systems in the marketplace are being effectively used and are producing the predicted savings. Conversely, these larger customers have required more extensive testing than we previously experienced.

"However, once these evaluations are closed, the potential is significant. Our pursuit of military business is a good example of this as we are now specified on M915 and M916 Freightliner trucks used in foreign military service and orders received for foreign military sales now number approximately 400. We were recently able to announce that we received our first U.S. Army contract to supply systems to outfit JERRV vehicles used in combat in Iraq and Afghanistan. Apart from closing our first US Army order, the fact that our units are on a tactical vehicle in the war zones provides significant credibility to the effectiveness and durability of our products.

“Based on the strength of these contracts as well as the successful results of the aforementioned evaluations, we believe the larger accounts are close to making a decision in our favor, and we will make further disclosures as events develop.

“Given the amount of time necessary for extensive and rigorous testing our product is required to undergo when working through different levels of a major OEM, it has been difficult to raise funding as results are long-term. However, recent events in the economy have allowed us to overcome this obstacle to allow us to move forward with greater activity and acceptance.

Vittoria concluded, “The dramatic increase in the price of oil in the last several months has now begun to open new doors. While the media has, justifiably, emphasized the cost of fuel and how it impacts our day to day living, and alternative sources of fuel are researched, it bears reminding that oil is used in almost everything, not just fuel. Medicines, plastics, clothing, tools, etc., are all impacted by the high cost of oil and make the importance of conserving what is a non-renewable resource that much more imperative.

Please keep in mind it is not just the savings in oil consumption, but the application of green technology and its contribution to a cleaner environment that is beginning to attract more companies and garner attention from end-users. As consumers become more aware of the role refined oil plays in almost every aspect of our lives, we believe they will begin to demand the companies they do business with act in a responsible manner toward the environment.”

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. A copy is also available at the SEC website, www.sec.gov.

About Puradyn 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 \$15 billion potential industry. **paraDYN**[®] 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, 2008 and 2007
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net sales	\$ 791,781	\$ 786,990	\$ 1,555,206	\$ 1,553,187
Costs and expenses:				
Cost of products sold	641,537	702,301	1,266,866	1,350,273
Salaries and wages	250,877	264,768	506,930	525,573
Selling and administrative	221,279	196,564	483,678	564,735
	<u>1,113,693</u>	<u>1,163,633</u>	<u>2,257,474</u>	<u>2,440,581</u>
Loss from operations	(321,912)	(376,643)	(702,268)	(887,394)
Other income (expense):				
Interest income	595	9,448	1,329	21,918
Interest expense	(77,323)	(130,506)	(168,176)	(343,138)
Total other expense, net	<u>(76,728)</u>	<u>(121,058)</u>	<u>(166,847)</u>	<u>(321,220)</u>

Loss before income taxes	(398,640)	(497,701)	(869,115)	(1,208,614)
Income tax expense	-	-	-	-
Net loss	<u>\$ (398,640)</u>	<u>\$ (497,701)</u>	<u>\$ (869,115)</u>	<u>\$ (1,208,614)</u>
Basic and diluted loss per common share	<u>\$ (.01)</u>	<u>\$ (.02)</u>	<u>\$ (.03)</u>	<u>\$ (.04)</u>
Weighted average common shares outstanding (basic and diluted)	<u>32,447,852</u>	<u>27,514,923</u>	<u>31,250,226</u>	<u>27,440,407</u>

See accompanying notes to condensed consolidated financial statements included in the Company's 10-QSB
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