May 15, 2017

MagneGas Reports 31% Increase in Revenue for the First Quarter of 2017

TAMPA, Florida, May 15, 2017 /PRNewswire/ --

Reduces operating expenses by 40% versus the fourth quarter in 2016

Investor Call to be held on Tuesday, May 16th at 11:00 a.m. Eastern Time

MagneGas Corporation ("MagneGas" or the "Company") (NASDAQ: MNGA) a leading clean technology company in the renewable resources and environmental solutions industries, today announced financial results and provided a business update for the first quarter ending March 31, 2017.

Recent Highlights:

- Revenue increased 31% in the first quarter of 2017 versus the same period last year;
- Operating expenses decreased $1.9 million, or 40% for the three months ending March 31, 2017 as compared to the three months ending December 31, 2016;
- Significant reduction in production cost of MagneGas2®;
- Aggressive cost reduction program initiated;
- Completed $1 million bridge financing and warrant exchange to improve capital structure.

Ermanno Santilli, Chief Executive Officer of MagneGas, stated, "We continue to leverage MagneGas 2® to grow our industrial gas sales and are pleased to report a 31% increase in revenue for the three months ending March 31, 2017 versus the same period last year. At the same time, we have been streamlining our operations-reducing our operating expenses by 40% versus the fourth quarter in 2016. While our SG&A was down sequentially from the fourth quarter of 2016, we expect the true impact of our recent and future cost reductions to be reflected in future quarters. We also identified a more cost-effective feedstock for MagnegGas2®, which has significantly enhanced our gross margins and productivity. Given the fixed cost nature of our business, we see a clear path to profitability through organic growth and careful management of our expenses."

"In addition to organic growth, we are focused on acquiring accretive companies in the industrial gas market, as a means to rapidly scale the business and maximize profitability. In addition to potential acquisitions in Florida and Indiana, where the Company already has a strong presence and existing sales force, we are also seeking to penetrate new markets in the U.S. with a strong industrial base, and have identified a number of potential high-quality targets."

"In March, we announced that we successfully installed a Plasma-Arc Gasification system at Green Arc Supply, LLC in Louisiana which makes it the first unit operating outside of MagneGas headquarters in the U.S.A. Pursuant to the terms of the Gasifier Purchase Agreement, MagneGas received a total of $775,000 in addition to recurring royalty payments. We are excited to have our first operating system at a customer location and look forward to replicating this business model of upfront payments plus long-term, high margin royalties at additional locations."

"With continued sale growth, a 40% reduction in our operating expenses versus the fourth quarter of 2016, a significant reduction in our production costs of MagneGas 2® and several acquisition candidates in the pipeline, we are confident that we are on the right path to profitability in 2017."

Scott Mahoney, Chief Financial Officer of MagneGas, commented, "Last week, we announced that we completed a $1 million bridge financing and warrant exchange. The bridge financing provides us additional working capital for general corporate purposes at favorable terms and the warrant exchange will help to dramatically enhance our capital structure. By simplifying our capital structure we now have greater financial flexibility, which we believe will ultimately enhance value for shareholders as we execute our corporate restructuring and new growth initiatives."

"We significantly reduced the overall cost of operations in the first quarter of 2017. One of our top priorities coming into this year was to quickly address our cost structure and cash burn rate. We have cut our overall operating expenses by 40% in the first quarter of 2017 versus the fourth quarter of 2016 and we believe there is room for meaningful further improvements. We initiated a comprehensive review of our staffing model and began to make

changes beginning in March. We expect the majority of our staffing changes to take place in the second quarter of 2017, further reducing our payroll and related compensation costs going forward. Our focus thereafter will be to primarily drive revenue growth, enabling our growing gross profit to cover ongoing cash operating expenses. Our goal remains to produce a stable, cash flow positive business model as quickly as possible, ideally no later than the end of 2017."

First Quarter 2017 Financial Results

Revenues for the three months ended March 31, 2017 were $871,788 as compared to $665,663 for the same period last year. This increase was primarily due to additional customers and distributors acquired through ESSI. Gross profit increased to $368,400 from $299,900 for the first quarter ending March 31, 2017 versus March 31, 2016.

Operating expenses for the first quarter ending March 31, 2017 were $2.9 million, unchanged from $2.9 million for the same period last year. Operating expenses decreased $1.9 million, or 39.9% for the three months ending March 31, 2017 as compared to the three months ending December 31, 2016. The primary cause for the decrease was a focus on vendor rationalization, reduction in consulting and third party services, and overall cost control efforts.

The Company has also taken additional cost cutting measures related to personnel. The Company has conducted a full review of the previous staffing model and has begun to eliminate redundant and non-essential positions. This has reduced compensation expense from approximately $3.8 million on an annualized basis to approximately $2.7 million. The Company continues to evaluate its costs structure, and may seek to reduce costs further throughout the remainder of 2017.

Conference Call

MagneGas' executive management team will host a conference call, Tuesday, May 16th at 11:00 a.m. Eastern Time to discuss the company's financial results for the first quarter ending March 31, 2017, as well as the Company's corporate progress and other meaningful developments.

Interested parties can access the conference call by dialing (877)-407-8031 for U.S. callers or +1-(201)-689-8031 for international callers.

A teleconference replay of the conference call will be available approximately one hour following the call, through midnight June 15, 2017, and can be accessed by dialing (877)-481-4010 for U.S. callers or +1-(919) 882-2331 for international callers and entering conference ID: 10394.

About MagneGas Corporation

MagneGas® Corporation (MNGA) owns a patented process that converts various renewables and liquid wastes into MagneGas fuels. These fuels can be used as an alternative to natural gas or for metal cutting. The Company's testing has shown that its metal cutting fuel "MagneGas2®" is faster, cleaner and more productive than other alternatives on the market. It is also cost effective and safe to use with little changeover costs. The Company currently sells MagneGas2® into the metal working market as a replacement to acetylene.

The Company also sells equipment for the sterilization of bio-contaminated liquid waste for various industrial and agricultural markets. In addition, the Company is developing a variety of ancillary uses for MagneGas® fuels utilizing its high flame temperature for co-combustion of hydrocarbon fuels and other advanced applications. For more information on MagneGas®, please visit the Company's website at http://www.MagneGas.com.

The Company distributes MagneGas2® through Independent Distributors in the U.S and through its wholly-owned distributor, ESSI (Equipment Sales and Services, Inc). ESSI has four locations in Florida and distributes MagneGas2®, industrial gases and welding supplies. For more information on ESSI, please visit the company's website at http://www.weldingsupplytampa.com.

The MagneGas IR App is now available for free in Apple's App Store for the iPhone or iPadhttp://bit.ly/AfLYww and at Google Play for Android mobile devices.

To be added to the MagneGas investor email list, please emailpcarlson@kcsa.com with MNGA in the subject line.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements as defined within Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements relate to future events, including our ability to raise capital, or to our future financial performance, and involve known and

unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. You should not place undue reliance on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and which could, and likely will, materially affect actual results, levels of activity, performance or achievements. Any forward-looking statement reflects our current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to our operations, results of operations, growth strategy and liquidity. We assume no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

For a discussion of these risks and uncertainties, please see our filings with the Securities and Exchange Commission. Our public filings with the SEC are available from commercial document retrieval services and at the website maintained by the SEC at http://www.sec.gov .

(tables follow)

MagneGas Corporation

Condensed Consolidated Balance Sheets

	March 31, 2017 (Unaudited)	December 31, 2016
Assets		
Current Assets		
Cash	$ 53,578	$ 1,616,410
Accounts receivable, net of allowance for doubtful accounts of $195,931 and $145,931, respectively	460,466	442,555
Inventory, net	1,724,035	1,615,933
Prepaid and other current assets	358,132	226,305
Total Current Assets	2,596,211	3,901,203
Property and equipment, net of accumulated depreciation and amortization of $1,592,114 and $1,474,944, respectively	6,285,012	6,402,931
Intangible assets, net of accumulated amortization of $415,250 and $401,277, respectively	423,148	437,121
Security deposits	26,636	26,636
Goodwill	2,108,781	2,108,781
Total Assets	$ 11,439,788	$ 12,876,672
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 941,869	$ 416,247
Accrued expenses	387,746	276,630
Deferred revenue and customer deposits	25,000	25,000
Capital leases, current	10,029	9,328
Derivative liabilities	6,441,579	7,700,585
Total Current Liabilities	7,806,223	8,427,790
Long Term Liabilities		
Note payable	520,000	520,000
Capital leases, net of current	23,302	25,317
Senior convertible debenture, net of debt discount of $709,000	121,080	75,000

Total Liabilities	8,470,605	9,048,107
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock: $0.001 par; 10,000,000 shares authorized; 1,000,000 shares issued and outstanding at March 31, 2017 and December 31, 2016	1,000	1,000
Common stock: $0.001 par; 90,000,000 shares authorized; 59,597,531 shares issued and outstanding at March 31, 2017 and 58,040,267 shares issued and outstanding at December 31, 2016	59,597	58,040
Additional paid-in capital	58,317,493	57,328,005
Accumulated deficit	(55,408,907)	(53,558,480)
Total Stockholders' Equity	2,969,183	3,828,565
Total Liabilities and Stockholders' Equity	$ 11,439,788	$ 12,876,672

MagneGas Corporation

Condensed Consolidated Statements of Operations

(Unaudited)

	Three Months Ended March 31,	
	2017	2016
Revenue:	$871,788	$665,663
Cost of Revenues	503,388	365,763
Gross Profit	368,400	299,900
Operating Expenses:		
Selling, general and administration	2,607,766	2,552,904
Research and development	98,141	161,294
Depreciation and amortization	167,338	153,953
Total Operating Expenses	2,873,345	2,868,151
Operating Loss	(2,504,945)	(2,568,251)
Other Income and (Expense):		
Interest	-	(10,806)

Amortization of debt discount	(103,080)	-
Other income	(4,536)	865
Change in fair value of derivative liability	762,134	956,797
Total Other Income (Expense)	654,518	946,856
Net Loss	$ (1,850,427)	$ (1,62 1,395)
Net Loss per share:		
Basic and diluted	$ (0.03)	$ (0.04)
Weighted average common shares:		
Basic and diluted	59,17 9,672	45,68 5,248

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