

August 6, 2014



MagneGas Reports Financial Results For Second Quarter 2014

TAMPA, Fla., Aug. 6, 2014 /PRNewswire/ -- MagneGas Corporation ("MagneGas" or the "Company") (NASDAQ: MNGA), a leading energy and technology company that counts among its inventions a patented process that converts liquid waste into a hydrogen-based fuel, today announced its financial results for the fiscal quarter ended June 30, 2014. During the period, the Company continued to implement its new strategy with a focus on the following areas:

- Industrial Gas Sales for Metal Working Market;
- Equipment Sales for Liquid Waste Processing;
- Use of MagneGas® for the Co-Combustion of Hydro-Carbon Fuels to Reduce Emissions
- Research and Development Related to Co-Combustion and Oil Processing

"The second quarter of 2014 was marked by solid progress. Our MagneGas® fuel distribution expanded into California and South Florida and we grew gas sales by almost 25% over Q2 2013. We completed the mobile recycler for our customer in Kazakhstan and made steady progress in our Co-Combustion verification projects around the world. Our R&D team also completed the production scale version of our new Venturi design and confirmed our new feedstock for our 2nd generation gas would be from Vegetable oil. Finally, we raised more than five provisional or definitive patents as part of our strategy of strengthening our Intellectual Property," stated Ermanno Santilli, CEO of MagneGas. "Having achieved these results while controlling our costs makes me satisfied with our progress so far in 2014."

June 30, 2014

- Revenues for the six months ended June 30, 2014 increased 40% over the same period in 2013 and were \$369,931 and \$264,325, respectively;
- Operating expenses remained flat at \$3,170,612 versus \$3,135,941 for the same period prior year;
- The Company had an ending cash balance of \$6,438,599 on June 30, 2014 versus \$216,523 on December 31, 2013.

June 30, 2014 Financial Results

For the six months ended June 30, 2014, revenues were \$369,931, as compared to \$264,325 for the same period in 2013. Metal cutting revenue was up at \$268,924 for the six months ended June 30, 2014, as compared to \$217,659 for the six months ended June 30, 2013. Metal cutting revenue was up primarily due to the addition of new customers and demolition projects. In addition, overall revenue was up due to the recognition of the balance of the proceeds received from the sale of the gasification system to Kazakhstan.

Operating expenses increased 1% from \$3,135,941 for the six months ended June 30, 2013 to \$3,170,612 for the six months ended June 30, 2014. This increase was attributed to expenses related to investor relations and research and development related to co-combustion and the oil processing unit. This was offset by general cost savings implemented in the general and administrative area in this quarter. In addition, stock based compensation decreased from \$785,294 for the six months ended June 30, 2013 to \$732,028 for the six months ended June 30, 2014. The Company had an operating loss of \$3,016,554 for the six months ended June 30, 2013, as compared to an operating loss of \$3,030,841 for the six months ended June 30, 2014.

The MagneGas IR App is now available for free in Apple's App Store for the iPhone or iPad <http://bit.ly/AfLYww> and at Google Play <http://bit.ly/Km2iyk> for Android mobile devices.

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

About MagneGas Corporation

Founded in 2007, Tampa-based MagneGas Corporation (NASDAQ: MNGA) is a technology Company that counts among its inventions, a patented process that converts liquid waste into hydrogen based fuels. The Company currently sells MagneGas® into the metal working market as a replacement to acetylene. It is also selling 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 www.MagneGas.com.

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>.

MagneGas Corporation Balance Sheets

	June 30, 2014	December 31, 2013
	(Unaudited)	(Audited)
Assets		
Current Assets		
Cash and cash equivalents	\$ 6,438,599	\$ 216,523
Accounts receivable, net of allowance for doubtful accounts of \$89,802 and \$83,069, respectively	135,036	125,930
Inventory, at cost	1,725,959	1,710,066
Prepaid and other current assets	<u>233,258</u>	<u>46,473</u>
Total Current Assets	8,532,852	2,098,992
Property and equipment, net of accumulated depreciation of \$802,608 and \$661,744, respectively	5,239,259	5,306,152
Intangible assets, net of accumulated amortization of \$272,680 and \$248,446, respectively	495,157	482,824
Investment in joint ventures	490,410	490,410
Security deposits	58,573	8,568
Total Assets	<u>\$ 14,816,251</u>	<u>\$ 8,386,946</u>
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 149,263	\$ 231,008
Accrued expenses	276,590	341,579
Deferred revenue	93,332	139,998
Customer Deposits	<u>0</u>	<u>39,341</u>
Total Current Liabilities	<u>519,185</u>	<u>751,926</u>
Total Liabilities	\$ 519,185	\$ 751,926
Stockholders' Equity		
Preferred stock: \$0.001 par; 10,000,000 authorized; 1,000,000 issued and outstanding	1,000	1,000
Common stock: \$0.001 par; 90,000,000 authorized; 32,814,763 and 23,259,109 issued and outstanding, respectively	32,815	23,259
Additional paid-in capital	35,846,853	26,163,522
Accumulated deficit	<u>(21,583,602)</u>	<u>(18,552,761)</u>
Total Stockholders' Equity	<u>14,297,066</u>	<u>7,635,020</u>

Total Liabilities and Stockholders' Equity

\$ 14,816,251 \$ 8,386,946

**MagneGas Corporation
Statements of Operations
(Unaudited)**

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2014	2013	2014	2013
Revenue:	\$ 178,330	\$ 133,475	\$ 369,931	\$ 264,325
Direct costs	<u>124,842</u>	<u>80,906</u>	<u>230,442</u>	<u>145,290</u>
	53,488	52,569	139,489	119,034
Operating Expenses:				
Selling, General and Administration	846,914	917,640	1,610,343	1,911,620
Investor Relations	258,174	60,127	481,268	116,016
Stock-based compensation	373,592	384,700	732,028	785,294
Research and development	106,729	2,821	181,658	16,111
Depreciation and amortization	<u>102,272</u>	<u>139,208</u>	<u>165,214</u>	<u>306,899</u>
Total Operating Expenses	<u>1,687,681</u>	<u>1,504,496</u>	<u>3,170,612</u>	<u>3,135,941</u>
Operating Income (Loss)	(1,634,193)	(1,451,927)	(3,031,124)	(3,016,906)
Other Income and (Expense):				
Interest	<u>(81)</u>	<u>21</u>	<u>283</u>	<u>353</u>
Total Other Income (Expense)	<u>(81)</u>	<u>21</u>	<u>283</u>	<u>353</u>
Net Income (Loss) before tax benefit	(1,634,274)	(1,451,906)	(3,030,841)	(3,016,554)
Provision for Income Taxes	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Income (Loss)	<u>(1,634,274)</u>	<u>(1,451,906)</u>	<u>\$ (3,030,841)</u>	<u>\$ (3,016,554)</u>
Net Loss per share:				
Basic and diluted	<u>\$ (.05)</u>	<u>\$ (.07)</u>	<u>\$ (0.11)</u>	<u>\$ (0.15)</u>
Weighted average common shares:				
Basic and diluted	<u>32,071,717</u>	<u>20,900,099</u>	<u>28,857,493</u>	<u>20,493,277</u>