

MagneGas Reports 138% Increase in Revenue for the Year Ended 2015

Gross Margin Improves 521 Basis Points

TAMPA, Fla., March 23, 2016 /PRNewswire/ -- **MagneGas Corporation ("MagneGas" or the "Company")** (NASDAQ: MNGA), a technology company that counts among its inventions a patented process that converts liquid waste into MagneGas2® fuel, today announced financial results and provided a business update for the year ended December 31, 2015.

2015 Year End Financial Highlights

- Revenue for 2015 increased 138% to \$2.4 million compared to \$1.0 million for 2014;
- Gross margin for 2015 improved 521 basis points to 39% compared to 34% 2014;
- The Company had an ending cash balance of \$5,319,869 on December 31, 2015.

Ermanno Santilli, Chief Executive Officer of MagneGas stated, "Revenue for the year ended December 31, 2015 more than doubled to \$2.4 million versus the same period last year. We have experienced a rapid increase in new customers and distributors due to the superiority of our MagneGas2® fuel, with proven faster cutting speed and smaller heat affected zone, demonstrated safety attributes and the eco-friendly attributes. It has now been a full year since the acquisition of ESSI and we continue to see top line growth, validating our strategy of acquiring regional distributors. In addition, we recently sold a 100kw Plasma-Arc Gasification system for \$775,000 and will receive recurring, high-margin royalty payments that equate to approximately 6% of gross sales. This represents our first domestic equipment sale in the in the United States and we look forward to additional sales, which will allow us to scale rapidly. This equipment sale also allows us to cost-effectively expand into Louisiana, Texas and the Gulf Coast Region. Internationally, we signed an MOU with Masada Waste Management Company, a major waste collection and management company based in the Republic of Sierra Leone to import fuel and equipment. This is a strategic collaboration aimed to expand MagneGas' technology in West Africa. Through this collaboration, MagneGas will work with Masada to try to provide a sustainable solution to the nation's sanitation, waste management, health and safety challenges."

"In December, we announced that our fuel was selected to be part of a \$100 million NASA project for the Kennedy Space Center by S&R Enterprises LLC, a lead sub-contractor. This contract will last approximately two years and our fuel will be used for the metal cutting portion of the project, which is anticipated to be significant. Just last month, we announced that our joint venture partner, Suwannee Ironworks, Inc. is now the second sub-contractor at the Kennedy Space Center in Florida to use MagneGas2® as their fuel of choice. We are pleased to have two sub-contractors now using MagneGas as their fuel of choice. The Kennedy Space Center is a great addition to our military, fire and rescue, and other marquis corporate customers, and opens up new opportunities in aerospace."

"In January, we announced that two major utilities expanded the use of MagneGas into multiple facilities. These marquis energy customers selected our fuel above all other cutting fuels on the market. At the end of January, we announced that a major international bridge builder, Condotte America, Inc., selected MagneGas2® fuel as its fuel of choice for metal cutting. Condotte conducted extensive testing of MagneGas2® under various conditions and, since placing their initial orders, have indicated their intention to switch all metal cutting operations to MagneGas2®."

"To accommodate the growing demand for MagneGas2®, we are purchasing 2,000 additional fuel cylinders. In addition, ESSI, the Company's wholly owned gas distribution company, has put an additional 400 cylinders into service to help accommodate ancillary gas demand. We look forward to seeing the impact of these new cylinders on revenue in the coming months as we continue to expand nationwide. As we move into our new headquarters, we will be able to bring our third unit on-line to further increase our production capacity."

"At the end of last year, we announced that we have advanced the testing of our fuel for co-combustion. Once again, we achieved significant reductions of certain key coal flue gas emissions including CO2 with a dramatic increase in heat without a corresponding increase in carbon footprint. We have also filed provisional patents related to proprietary characteristics of the new MagneGas® fuel, as part of our on-going development of a co-combustion technology to substantially reduce coal emissions and improve coal burning efficiency. We are working towards

obtaining independent validation of these results from a leading coal technology research center that is associated with one of the nation's largest utilities. We anticipate this validation will be received in mid-2016. The renewable energy landscape has become much more favorable for this project with the Paris Climate Agreement reached at the 21st Conference of the Parties (COP21). This historic agreement was signed by 186 countries and is the beginning of a worldwide and legally binding effort to reduce emissions by embracing, funding and monitoring renewable technology's impact on carbon emissions. We believe the COP21 agreement is the start of a more robust market for renewable technologies such as our co-combustion solution and we look forward to continued advancements throughout 2016."

2015 Year End Financial Results

Revenues for the year ended December 31, 2015 were \$2.4 million as compared to \$1.0 million for the same period last year. Revenue from the industrial gas segment was \$2.4 million for the year ended December 31, 2015 as compared to \$875,373 for the same period last year. This was primarily due to an increase in MagneGas® fuel sales and a full year of revenue received from the acquisition of ESSI, Inc.

Gross margins increased to 39% from 34% for the year ended December 31, 2015 versus December 31, 2014. This was primarily due to reduced product costs associated with the vendor agreements through ESSI, Inc.

General operating expenses increased \$3.0 million for the year ended December 31, 2015 to \$7.0 million from \$4.0 million for the same period last year. The additional expenses were primarily due to the operating expenses associated with the ESSI, Inc. acquisition as well as additional regulatory and other expenses related to the incident on April 16th.

Conference Call

MagneGas' executive management team will host a conference call today, Wednesday, March 23^d at 10:00 a.m. Eastern Time to discuss the company's financial results for the year ended December 31, 2015, as well as the Company's corporate progress and other meaningful developments.

Interested parties can access the conference call by dialing (877) 407-8033 for U.S. callers or (201) 689-8033 for international callers.

A teleconference replay of the conference call will be available approximately one hour following the call, through midnight Saturday, April 23, 2016, and can be accessed by dialing (877) 660-6853 for U.S. callers or (201) 612-7415 for international callers and entering conference ID: 13632081.

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

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

The MagneGas fuel production systems can be set-up locally using various types of feedstock. The Company believes this flexibility can give them an advantage in the Government/Military marketplace as fuels can be manufactured on site from raw materials found locally worldwide and eliminates the time and expense of shipping to the specific military theater. The Company is planning to establish joint ventures with third parties to construct these supply facilities worldwide.

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>.

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
Audited Balance Sheets**

	December 31,	
	2015	2014
Assets		
Current Assets		
Cash	\$ 5,319,869	\$ 5,061,674
Accounts receivable, net of allowance for doubtful accounts of \$109,568 and \$104,028, respectively	373,006	268,308
Inventory (including units for resale), at cost	2,362,014	2,164,838
Prepaid and other current assets	320,431	300,065
Total Current Assets	8,375,320	7,794,885
Property and equipment, net of accumulated depreciation of \$1,467,123 and \$961,520, respectively	6,004,990	6,353,655
Intangible assets, net of accumulated amortization of \$345,382 and \$296,914, respectively	493,016	492,252
Investment in joint ventures	754,601	718,246
Security Deposits	24,113	21,647
Goodwill	2,108,781	2,098,069
Total Assets	\$ 17,760,821	\$ 17,478,754
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 425,294	\$ 155,909
Accrued expenses	504,855	52,120
Deferred revenue and customer deposits	412,500	56,666
Notes Payable (equipment) – Short Term	7,891	-
Total Current Liabilities	1,350,540	264,695
Long Term Liabilities		
Note Payable – Long Term	552,177	520,000
Total Liabilities	1,902,717	784,695
Stockholders' Equity		
Preferred stock: \$0.001 par; 10,000,000 authorized; 1,000,000 issued and outstanding, respectively	1,000	1,002
Common stock: \$0.001 par; 90,000,000 authorized; 45,599,535 and 36,691,505 issued and outstanding, respectively	45,599	36,692
Additional paid-in capital	50,658,216	42,361,578
Issued and unearned stock compensation	-	-
Accumulated deficit	(34,846,711)	(25,705,213)
Total Stockholders' Equity	15,858,104	16,694,059

Total Liabilities and Stockholders' Equity

\$ 17,760,821

\$ 17,478,754

MagneGas Corporation
Audited Statements of Operations

	Year Ended December 31,	
	2015	2014
Revenue	\$ 2,430,647	\$ 1,023,046
Direct Costs	<u>1,474,361</u>	<u>673,867</u>
	956,286	349,179
Operating Expenses:		
Selling, General, and Administration	6,987,338	3,975,473
Stock Compensation	508,570	1,511,989
Stocks issued to pay for services	1,201,241	1,245,320
Research and Development	342,350	387,058
Depreciation and Amortization	<u>558,131</u>	<u>376,640</u>
Total Operating Expenses	9,597,630	7,496,480
Operating Income (Expense)	(8,641,344)	(7,147,301)
Net Interest	(28,777)	(7,073)
Loss on Sale of Unused Property	(483,630)	-
Other Income	<u>12,253</u>	<u>1,922</u>
Total Other Income (Expense)	<u>(500,154)</u>	<u>(5,151)</u>
Net Income (Loss) before tax provision	<u>(9,141,498)</u>	<u>(7,152,452)</u>
Provision for Income Taxes	-	-
Net Income (Loss)	<u>\$ (9,141,498)</u>	<u>\$ (7,152,452)</u>
Basic and Diluted	<u>\$ (0.23)</u>	<u>\$ (0.23)</u>
Weighted average common shares:		
Basic and Diluted	<u>39,947,837</u>	<u>31,762,338</u>

To view the original version on PR Newswire, visit <http://www.prnewswire.com/news-releases/magnegas-reports-138-increase-in-revenue-for-the-year-ended-2015-300239767.html>

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