November 14, 2016

MagneGas Reports 66% Increase in Revenue for the Third Quarter of 2016

TAMPA, Florida, November 14, 2016 /PRNewswire/ --

MagneGas2® Fuel Driving Revenue Growth

Gross Margins Increased 411 Basis Points

Call to be held on Monday, November 14th at 10:00 a.m. Eastern Time

MagneGas Corporation ("MagneGas" or the "Company") (NASDAQ: MNGA) a leading clean technology company that counts among its inventions a patented process that converts renewable and liquid waste into MagneGas2® fuel, today announced financial results and provided a business update for the third quarter ending September 30, 2016.

Third Quarter 2016 Financial Highlights

- Revenue for the three months ended September 30, 2016 increased 66% to $1.0 million compared to $623,893 for the same period last year;
- Revenue for the nine months ended September 30, 2016 increased 45% to $2.5 million compared to $1.8 million for the same period last year;
- Gross margins increased 411 basis points to 39% from 35% for the three-month period ending September 30, 2016 versus September 30, 2015.

Recent Business Highlights

- A Letter of Intent was signed for the purchase of a coal combustion technology company with revenue in excess of $14 million;
- A Letter of Intent with deposit was signed with a German company to purchase $2.65 million in MagneGas equipment and fuel;
- Thousands additional fuel cylinders were purchased to keep up with increasing demand for MagneGas2® fuel;
- A leading industrial gas distributor in the Southeast began distributing MagneGas2® fuel for metal cutting as an alternative to acetylene;
- The Company announced the opening of two new retail locations for the sale of MagneGas2® and industrial gases and supplies for the welding industry;
- A Fortune 100 auto manufacturing company selected MagneGas2® for metal cutting at two factories in the United States;
- The Company completed construction of its gasification system for sale to Green Arc Supply from Louisiana.

Ermanno Santilli, Chief Executive Officer of MagneGas, stated, "We continue to grow our industrial gas sales and we are pleased to report a 66% increase in revenue for the three months ending September 30, 2016 versus the same period last year. We have benefitted from our MagneGas2® product line, which enables us to drive better value for our clients in an otherwise commoditized price competitive landscape. We are gaining market share at an accelerated pace in our addressable markets."

"As a whole, our industrial gas segment, which not only includes MagneGas2® but also welding supplies and other gases, has increased at nearly a 20% annualized growth rate, compared to an estimated 2% growth rate for our welding supply peers. We attribute our continued growth quarter after quarter to our strong marketing efforts and the addition of customers and distributors, including those we obtained through our welding supply business, ESSI. We believe that MagneGas2® is an excellent door opener, and customers quickly see the value-added benefits of switching to MagneGas2®, which is a safer, hotter and faster cutting alternative to what they are using now."

"Given the growing demand for MagneGas2®, which has allowed us to build our backlog, we completed the purchase of thousands of additional fuel cylinders per the previously announced purchase order. The demand we are experiencing is a direct result of our sales penetration into key vertical market segments including utilities, demolition companies, first responder markets and major manufacturing companies. Several existing customers have expanded their use of MagneGas2® into additional facilities and we have other large potential customers currently testing MagneGas2®."

"We continue to grow our industrial gas segment through new partnerships within the gas market. We signed a distributor agreement with Holston Gases of Tennessee, one of the largest independent distributors of industrial, propane, medical and beverage gases in the United States as a preferred distributor for the Southeast with 27 locations in 7 states. Holston will be distributing MagneGas2® for metal cutting as an alternative to acetylene. We feel that this new strategic relationship further validates the market's growing acceptance of our MagenGas2® product offering."

"We are also expanding the use of MagneGas2® along the East Coast and nationwide. The marketing program we implemented with our distribution partner, AWISCO Corporation, attracted new customers including the NYC Department of Transportation, which selected MagneGas2® for metal cutting and repairs, as well as the New York Iron Workers Joint Apprentice Training Facility, which added MagneGas2® to its training program for new iron workers."

"In September, we announced that MagneGas2® fuel was chosen by one of the nation's largest recycling and waste disposal companies for maintenance and repair of the company's fleet of trucks, its dumpsters and related machinery. Our fuel will initially be used in six locations in one state with plans to expand into eight more neighboring states in the region in the coming months."

"We have been successful in demonstrating MagneGas2® in the automotive industry. We recently announced that a Fortune 100 global auto manufacturer based in the mid-western United States successfully completed the MagneGas2® rollout at their first factory and has begun the procurement process at a second factory. Following successful

demonstrations in the second factory, the automaker has indicated an interest in continuing expansion into other factories as part of a larger rollout program. This global auto manufacturer chose MagneGas2® to be its exclusive fuel and to discontinue using acetylene for metal cutting due to its faster cutting speed and hotter flame temperature compared to existing cutting fuels. We believe that reducing costs as well as reducing down time on the assembly line, will lead to other larger opportunities with this global customer and others in the auto manufacturing sector."

"We continue to look for opportunities to increase equipment sales. In September, we successfully completed construction of a 100kw Plasma-Arc Gasification system as part of last year's purchase by Green Arc Supply, expanding our presence into the Gulf Coast region. The Company has already received milestone payments totaling $583,750 as a result of this Green Arc Supply sale and will receive a final payment of $191,250 after the expected delivery of the system by us by the end of 2016. We believe that this domestic equipment sale will open the door to additional equipment sales nationwide."

"Last month, we signed a letter of intent for a $2.65 million sale of our proprietary gasification and sterilization system, MagnesGas2® fuel and cylinders to a company based in Germany. This transaction represents the largest sale in our company's history. The LOI calls for exclusive distribution rights in Germany, with an option to purchase the rights to other countries as well as future unit purchase requirements and royalties on gas sales. The sterilization system will be used in small service contracts with the goal of entering the agriculture and municipal wastewater treatment markets in Germany. We believe this transaction sets the stage for our expansion across Europe and globally."

"Our co-combustion project suffered a setback with the death of our operational partner due to an undiagnosed medical condition. We are saddened by the loss of our dear friend who was instrumental in the day to day management of our project in Michigan. Our joint venture partners are taking the opportunity to re-examine our project structure and will likely move it to Florida, closer to our gas production and support teams. We expect to restart testing in January."

"Finally, we announced that we signed a non-binding letter of intent to purchase all of the outstanding capital stock of a privately held coal combustion environmental technology company that had revenue in excess of $14 million in 2015. The coal combustion company has historically generated consistent revenue growth with meaningful profitability and has been in business for more than 20 years. The company services some of the largest utility companies in the United States, and has benefitted from very high customer loyalty. They are working with strategic partners to grow the technology platform globally and are developing international markets. We believe that the acquisition of this coal combustion technology company will bring significant value to MagneGas through their product offerings, common marquee customers, and real world combustion expertise with power companies. This acquisition, if closed, will be a major milestone for MagneGas in terms of revenue and growth potential that will bring significant shareholder value."

Third Quarter 2016 Financial Results

Revenues for the three months ended September 30, 2016 were $1,037,688 as compared to $623,893 for the same period last year. For the three months ended September 30,

2016 and 2015, we generated revenues from the industrial gas segment of $676,518 compared to $623,893 last year. This increase was primarily due to additional customers and distributors acquired through ESSI and the results of marketing our Company.

Gross margins increased to 39% from 35% for the third quarter ending September 30, 2016 versus September 30, 2015. This improvement was in part due to increased sales of our higher-margin offerings, including MagenGas2® and our proprietary equipment sales.

Operating expenses increased approximately $580,000 for the third quarter ending September 30, 2016 to $3.0 million from $2.4 million for the same period last year. The increase in our operating expense in 2016 was primarily attributable to the completion of our new headquarters and increased consulting expenses related to research and development, investor relations, public relations and new business development.

Conference Call

MagneGas' executive management team will host a conference call today, Monday, November 14th at 10:00 a.m. Eastern Time to discuss the company's financial results for the third quarter ending September 30, 2016, 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 December 14, 2016, 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: 10151.

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 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.

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

	September 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Assets		
Current Assets		
Cash	$ 1,182,456	$ 5,319,869
Accounts receivable, net of allowance for doubtful accounts of $135,931 and $109,568, respectively	405,126	373,006
Inventory, net	2,211,158	2,362,014

Prepaid and other current assets	534,077	320,431
Total Current Assets	4,332,817	8,375,320
Property, equipment and leasehold improvements, net of accumulated depreciation and amortization of $1,848,452 and $1,467,123, respectively	6,652,672	6,004,990
Intangible assets, net of accumulated amortization of $387,303 and $345,382, respectively	451,095	493,016
Investment in joint ventures, net	278,590	754,601
Security deposits	26,655	24,113
Goodwill	2,108,781	2,108,781
Total Assets	$ 13,850,610	$ 17,760,821
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 389,234	$ 425,294
Accrued expenses	321,915	504,855
Deferred revenue and customer deposits	28,850	412,500
Notes payable, current	9,328	7,891
Derivative liabilities	5,150,078	1,241,841
Total Current Liabilities	5,899,405	2,592,381
Long Term Liabilities		
Note payable, net of current maturities	547,649	552,177
Senior convertible debenture, net of debt discount of $950,000	50,000	-
Total Liabilities	6,497,054	3,144,558
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock: $0.001 par; 10,000,000 authorized; 1,000,000 issued and outstanding	--	--
Series A preferred stock - $0.001 par value 1,000,000 authorized and outstanding	1,000	1,000
Common stock: $0.001 par; 90,000,000 authorized; 51,939,304 and 45,599,534 issued and outstanding, respectively	51,939	45,599
Additional paid-in capital	54,228,495	50,658,216,
Accumulated deficit	(46,927,878)	(36,088,552)
Total Stockholders' Equity	7,353,556	14,616,263
Total Liabilities and Stockholders' Equity	$ 13,850,610	$ 17,760,821

MagneGas Corporation
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenue:	1,037,668	623,893	$ 2,540,588	$ 1,753,986
Cost of Revenues	632,531	405,979	1,470,569	1,078,032
Gross Profit	405,137	217,914	1,070,019	675,954
Operating Expenses:				
Selling, general and administration	2,690,495	2,183,924	7,544,484	6,064,726
Research and development	143,072	104,968	472,329	231,618
Impairment of joint venture	-	-	501,011	-
Depreciation and amortization	177,557	141,848	507,000	418,467
Total Operating Expenses	3,011,124	2,430,740	9,024,824	6,714,811
Operating (Loss)	(2,605,987)	(2,212,826)	(7,954,805)	(6,038,857)
Other Income and (Expense):				
Interest	(47,734)	(10,815)	(67,233)	(21,070)
Non-Cash Interest, derivative liability	-	-	(2,622,080)	-
Non-cash Interest, amortization of debt discount	(50,000)	-	(50,000)	-
Loss on sale of property	-	-	-	(483,630)
Other income	40,533	8,421	61,763	11,763
Change in fair value of derivative liability	(1,404,490)	-	(206,971)	-
Total Other Income (Expense)	(1,461,691)	(2,394)	(2,884,521)	(492,937)
Net Loss	$(4,067,678)	$(2,215,220)	$(10,839,326)	$ (6,531,794)
Net Loss per share:				
Basic and diluted	$ (0.08)	$ (0.05)	$ (0.23)	$ (0.17)
Weighted				

average common shares: Basic and diluted	50,361,516	41,181,102	47,235,587	39,170,542

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