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HYDROGEN ENGINE CENTER, INC.
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FOR IMMEDIATE RELEASE

**HYDROGEN ENGINE CENTER, INC. ANNOUNCES THIRD QUARTER
AND NINE MONTH FINANCIAL RESULTS**

ALGONA, IA, November 15, 2007 - Hydrogen Engine Center, Inc., (OTC BB: HYEG) (HEC), a designer, manufacturer and distributor of tangible technologies that produce clean energy solutions designed to lessen America's dependence on foreign fuels, today announced its financial results for the three months and nine months ended September 30, 2007.

Sales for the three months ended September 30, 2007, were \$86,047 a decrease of \$40,284, compared to sales in the same quarter last year which were \$126,331. Cost of sales also shrank to \$74,299 leaving a gross profit of \$11,748 for the third quarter 2007. This compares to cost of sales for third quarter 2006 of \$113,109 which left a gross profit for that quarter of \$13,222. Operating expenses dropped to \$1,275,418 in third quarter 2007 from third quarter 2006's \$1,630,598. As a result, the operating loss improved in the quarter ended September 30, 2007 at \$1,263,670, down from \$1,617,376 in third quarter 2006. Third quarter 2007's net loss was \$1,286,415, or \$0.05 per fully diluted share, an improvement from the net loss of \$1,636,593, or \$0.06 per fully diluted share in the same period prior year.

Sales for the nine months ended September 30, 2007, were \$527,720 a sharp increase from sales in the same period last year of just \$202,040. Cost of sales rose to \$447,143 resulting in a gross profit of \$80,577 for the nine months ended September 30, 2007. This compares to cost of sales for the nine months ended September 30, 2006 of \$168,365, which left a gross profit for that quarter of \$33,675. Operating expenses decline to \$4,176,791 for the first nine months of 2007 from \$4,569,306 in the same period prior year. This left the operating loss during the nine months ended September 30, 2007 at \$4,096,214. This is down from \$4,535,631 in the same period prior year. Nine month 2007's net loss was \$4,169,452, or \$0.16 per fully diluted share, an improvement from the net loss of \$4,579,717, or \$0.18 per fully diluted share in the same period prior year.

Don Vanderbrook, Chief Operating Officer of HEC, said, "We are making strides in controlling our costs, but as a development stage company, we have little revenue to report. There are, however, some projects that hold promise of future sales. In particular:

- We received a purchase order from the United Nations Industrial Development Organization to deliver two hydrogen powered, 275 hp marine engines to be used in water taxis in Istanbul, Turkey. The total value of the purchase order is \$51,200.

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- On October 4, 2007, we completed the final acceptance testing phase on our 4 + 1™ 250kW hydrogen generator, procured by Natural Resources Canada (NRCAN). We will receive a third milestone payment for this project of approximately \$91,125 (CAD). In addition, we anticipate receiving a purchase order for additional engineering services for grid integration of the 4 + 1™.
- We have provided quotes to potential customers with Renewable Wind Energy Projects. These projects are similar to the projects we undertook with Xcel Energy and Natural Resources Canada. We anticipate that these projects will provide additional sales opportunities for us. Xcel Energy recently began testing our 50kW hydrogen powered genset in Colorado and the 4 + 1™ unit for Natural Resources Canada is scheduled to be installed sometime during the spring of 2008. We are confident that the testing will be favorable thus creating demand for similar projects.
- We have recently traveled to India to observe our 50kW hydrogen powered generator set (genset) located at Grasim Industries. The genset is used to provide power to supplement the energy needs of the plant. Grasim Industries continues to be interested in our technology and we anticipate receiving an additional order for a 250kW genset with our newly designed heat recovery system. We have provided numerous quotes for our hydrogen powered generator sets to customers and potential customers whose production processes generate hydrogen as a by-product of production, similar to the opportunity we encountered at Grasim.
- We are currently testing ammonia as a fuel alternative, using our proprietary controls to allow an HEC open power unit to operate an irrigation pump in California. To date, this engine has run successfully on ammonia (using propane as a catalyst), for over 200 hours. We will soon begin the testing of another ammonia powered engine in order to obtain related data for emissions and fuel consumption. We anticipate that by using ammonia as a fuel we could reduce emissions and reduce our dependence on foreign oil while bridging the lack of a developed hydrogen infrastructure. Recently, the State of Washington added ammonia to its list of official alternative vehicle fuels. We are hopeful that other states will follow. A significant effort by a number of groups is under way to affect this goal. Ammonia (NH₃) also known as anhydrous ammonia contains no carbon, stores like propane and is the second most prevalent chemical in the world. An infrastructure for ammonia is already in place, ammonia pipelines can be found in many areas of the United States and distribution of the fuel is already established.

Vanderbrook concluded, "Hydrogen is the fuel of the future, and we are dedicated to bringing that fuel to market as rapidly as possible. We are moving past the 'proof of concept' stage and have started field projects that could potentially result in commercial sized orders."

About Hydrogen Engine Center, Inc.

Hydrogen Engine Center, Inc. (HEC) designs, manufactures and distributes alternative-fueled internal combustion engines, engine controls and fuel delivery systems and power generation equipment for distributed power, agricultural, industrial, airport ground support, off-road vehicular, business and home applications. All HEC engines and power generation equipment are capable of running on a multitude of fuels, including but not limited to, hydrogen, ammonia, synthetic gas, coal bed methane, gasoline, and ethanol. HEC trades on the Bulletin Board under the symbol "HYEG.OB." Principal offices are located at 2502 E Poplar St., Algona, Iowa 50511. Visit www.hydrogenenginecenter.com or in the US dial 515-295-3178 for more information.

This press release may contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Investors are cautioned that such forward-looking statements involve risks and uncertainties, including without limitation, acceptance of the Company's products, increased levels of competition for the Company, new products and technological changes, the Company's dependence on third-party suppliers, the availability of capital and other risks detailed from time to time in the Company's periodic reports filed with the Securities and Exchange Commission.

HYDROGEN ENGINE CENTER, INC. AND SUBSIDIARIES

(a corporation in the development stage)

Condensed Consolidated Statements of Operations

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,		From Inception (May 19, 2003) to September 30, 2007
	2007	2006	2007	2006	
Sales	\$ 86,047	\$ 126,331	\$ 527,720	\$ 202,040	\$ 849,624
Cost of Sales	<u>74,299</u>	<u>113,109</u>	<u>447,143</u>	<u>168,365</u>	<u>724,410</u>
Gross Profit	<u>11,748</u>	<u>13,222</u>	<u>80,577</u>	<u>33,675</u>	<u>125,214</u>
Operating Expenses					
Sales and marketing	64,488	263,442	231,236	675,930	1,212,397
General and administrative	610,243	852,886	2,167,029	2,426,617	5,832,557
Research and development	361,089	438,290	1,109,662	943,042	2,986,895
Settlement of vendor dispute	-	-	448,011	-	577,500
Decline in market value of inventory, net of recoveries	<u>239,598</u>	<u>75,980</u>	<u>220,853</u>	<u>523,717</u>	<u>667,745</u>
	<u>1,275,418</u>	<u>1,630,598</u>	<u>4,176,791</u>	<u>4,569,306</u>	<u>11,277,094</u>
Operating Loss	(1,263,670)	(1,617,376)	(4,096,214)	(4,535,631)	(11,151,880)
Other Income (Expense)					
Interest income	24,935	12,939	60,681	38,852	151,676
Interest expense	(46,653)	(32,156)	(132,892)	(82,938)	(301,178)
Loss on sale of asset	(1,027)	-	(1,027)	-	(1,027)
	<u>(22,745)</u>	<u>(19,217)</u>	<u>(73,238)</u>	<u>(44,086)</u>	<u>(150,529)</u>
Net Loss	<u>\$ (1,286,415)</u>	<u>\$ (1,636,593)</u>	<u>\$ (4,169,452)</u>	<u>\$ (4,579,717)</u>	<u>\$ (11,302,409)</u>
Weighted-average shares outstanding	<u>25,773,966</u>	<u>25,180,764</u>	<u>25,749,887</u>	<u>24,967,619</u>	
Basic and diluted net loss per share	<u>\$ (0.05)</u>	<u>\$ (0.06)</u>	<u>\$ (0.16)</u>	<u>\$ (0.18)</u>	

HYDROGEN ENGINE CENTER, INC. AND SUBSIDIARIES

(a corporation in the development stage)

Condensed Consolidated Balance Sheet

LIABILITIES AND EQUITY	September 30, 2007
	(Unaudited)
Current Liabilities	
Notes payable, bank	\$1,409,875
Current portion long-term debt	36,636
Current installments of obligation under capital lease	43,899
Accounts payable	222,697
Accrued expenses	200,917
Accrued interest	116,454
Unearned project reimbursements	102,972
Unearned grants	40,335
Total current liabilities	2,173,785
Long-term debt, net of current maturities	750,008
Obligation under capital lease, excluding current installments	92,785
	842,793
Total liabilities	3,016,578
Commitments and Contingencies	
Stockholders' Equity	
Preferred stock - Series A, \$0.001 par value; 10,000,000 shares authorized, 465,000 shares issued and outstanding	465
Preferred stock - Series B, \$0.001 par value; 5,000,000 shares authorized, 1,932,846 shares issued and outstanding	1,933
Common stock, \$0.001 par value; 100,000,000 shares authorized, 26,834,539 shares issued and outstanding	26,834
Additional paid-in capital	15,837,957
Accumulated other comprehensive loss - foreign currency	(2,988)
Deficit accumulated during the development stage	(11,302,409)
Total stockholders' equity	4,561,792
Total Liabilities and Stockholders' Equity	\$ 7,578,370

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