



Hy-Drive Technologies Ltd. (HGS-V)
 Mississauga, ON, April 15, 2009 (Canada NewsWire via CNW Newswire)

Hy-Drive Announces Financial Results for the Three Month Period Ended March 31, 2009

Hy-Drive Technologies Ltd. today announced its financial results for the three month period ended March 31, 2009. This release also covers Financial Statements for the Company and an accompanying MD&A released at www.sedar.com.

Highlights for the three month period ended March 31, 2009:

Unaudited Consolidated Statements of Operations and Deficit For the Three months ended March 31.

	2009	2008
Expenses		
General and administrative	\$ 375,122	\$ 601,964
Sales and marketing	1,091	43,034
Research and development	309,266	794,695
Inventory write-off	38,445	-
Stock-based compensation	39,183	167,992
Amortization - property, plant and equipment	64,548	100,703
Amortization - intellectual property	36,991	35,454
	\$ 864,646	\$ 1,743,842
Net loss before undernoted items	\$ (864,646)	\$ (1,743,842)
Interest and other income	(8,847)	213,518
Net loss	\$ (873,493)	\$ (1,530,324)
Deficit, beginning of period	\$ (47,390,153)	\$ (41,521,748)
Deficit, end of period	\$ (48,263,646)	\$ (43,052,072)
Basic and fully diluted loss per share	\$ (0.01)	\$ (0.03)
Weighted average number of shares outstanding	61,358,723	61,190,390

The following outlines the key events during the three months ended March 31, 2009 and up to the date of this MD&A in the development of the Company, the HGS™ product and the Class 8 truck market:

- The Company has continued to invest in testing the reliability and performance of its HGS™ and all its component parts. Hy-Drive commenced building initial units of the HGS™ incorporating all that it has learned in its development and testing in the past year. These units will be used for on-road testing in the IPT program and for validation testing.
- In 2008 Hy-Drive announced a non-binding Memorandum of Understanding (“MOU”) with an arms length developer of enhancements for diesel engines to acquire intellectual property assets (the “IP Assets”). Those IP Assets, with further development, will enhance the control system of Hy-Drive’s HGS™ product. In the first quarter Hy-Drive has worked closely with the vendor on those enhancements. The acquisition of the IP Assets remains subject to receipt of all regulatory approvals, including that of the TSX Venture Exchange, as well as the parties entering into a definitive agreement, which is in process.
- Third party efficacy performance verification is planned throughout the remainder of 2009 and beyond.
- Hy-Drive re-initiated testing on Class 8 size engines through its IPT Program. Engines in this size class are used in many other applications, including construction equipment and stationary equipment.
- The Company implemented a program of cash conservation in 2008 that is carrying forward into 2009. This includes controls over production and inventory, consulting, capital expenditures, marketing initiatives, and general and administrative expenditures. These positive initiatives effected a reduction in the monthly operating costs of the Company. Total cash and short-term investments used in operating activities was \$700,593 for the three months ended March 31, 2009 compared to \$1,736,799 for the three months ended March 31, 2008.
- Net loss for the three months ended March 31, 2009 and 2008 was \$873,493 (\$0.01 per share) and \$1,530,324 (\$0.03 per share) respectively.
- The Company reports cash, cash equivalents and short-term investments of \$7,945,962 as at March 31, 2009, compared to \$9,235,324 as at December 31, 2008; a reduction of \$1,288,362 in the quarter.
- The Company received notice of an action brought against it by a company with a foreign distribution agreement for the HGS™. The Company and its counsel believe the action is without merit and a motion was filed requesting that the plaintiff post costs prior to further action being taken. Hy-Drive will defend the action.
- Management recognizes that the recent economic downturn presents risks to the trucking industry. However, management believes that its product will provide sufficient economic benefit to prospective trucking customers for them to purchase the HGS™. Industry statistics indicate that sales of Class 8 trucks have severely declined in the first quarter. This represents an enhanced opportunity for Hy-Drive because our HGS™ unit is most effective with older truck engines, which are not being replaced at prior rates.
- During the first quarter 450,000 options were exercised at \$0.11 per share representing cash proceeds to the company of \$49,500.
- In 2007 Hy-Drive entered into a contract to acquire 1200 units of a complementary product to its HGS™ at a reduced price of USD\$599 per unit based upon anticipated volume purchases. Penalties were applicable for lower volume purchases. During 2008 the Company determined that the commitment would not be met and accrued for the commitment. Subsequent to the

end of the quarter the company agreed to settle the contract by payment and return of unutilized units. Hy-Drive intends to continue its relationship with the supplier for use of the supplier's product in conjunction with the HGS™ unit on a referral fee basis, the details of which are still to be finalized.

Cautionary Note Regarding Forward-Looking Statements:

This MD&A contains certain forward-looking statements that are based upon current expectations, which involve risks and uncertainties associated with the Company's business, and the economic environment in which the business operates. Forward-looking statements contained in this MD&A that are not statements of historical fact may be deemed to be forward-looking statements including but not limited to, statements about future development of Hy-Drive's products, commercial production in 2009, future working capital requirements, and validation of Hy-Drive's products, and can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", "thinks", or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved" and similar expressions to the extent that they relate to the Company or its management. These forward-looking statements are not historical facts, but reflect the Company's current expectations regarding future results or events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed in the section "Risks and Uncertainties" below.

Although Hy-Drive has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Hy-Drive does not undertake to update any forward-looking information that is incorporated by reference herein, except in accordance with applicable securities laws.

About Hy-Drive

Hy-Drive is a technology firm that has developed a proprietary, patented hydrogen generating system. Hy-Drive's Hydrogen Generating System ("HGS™") generates and injects hydrogen gas into a regular internal combustion engine, enhancing the combustion process by allowing fuel to burn more efficiently and completely. For more information, please visit www.hy-drive.com.

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