

INGEN TECHNOLOGIES, INC.
QUARTERLY REPORT
February 28, 2012

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PART A

GENERAL COMPANY INFORMATION

ITEM I – NAME OF ISSUER

Ingen Technologies Inc.
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Suite F 507
Riverside, CA 92503

Phone: 951-688-7840
Email: info@ingen-tech.com
Website: www.ingen-tech.com

ITEM II – SHARES OUTSTANDING

- A. Common Stock – We are authorized to issue 8.0 billion shares of no par Common Stock. The company's Common Stock is traded through the Pink Sheets Electronic quotation Service under the symbol "IGNT" (Cusip 45684G409). As of February 27, 2012 there were 57,471,827 shares of the company's Common Stock that were outstanding.
- B. Preferred Stock – We are authorized to issue 100,000,000 Series-A preferred shares of no par value preferred stock. The Series-A preferred shares have a preferred liquidation right of \$1.00 per share. They receive 10 shares of voting rights and each share is convertible into 10 shares of common stock. The Series-A preferred shares are not subject to reverse stock splits and do not adjust in the event of a reverse stock split on the company's common stock. As of February 27, 2012 there were 98,736,695 shares of Series-A preferred stock outstanding.

Current information:

<i>Common Stock –</i>	62,478,268	shares outstanding as of May 9, 2012
	8.0 billion	shares authorized
	38,124,353	Freely tradable
	1	Beneficial shareholders
	613	Shareholders of record
<i>Preferred Stock –</i>	98,736,695	shares outstanding as of May 9, 2012
	100,000,000	shares authorized
	0	freely tradable
	0	Beneficial shareholders
	37	Shareholders of record

As of last fiscal quarter – February 27, 2012

<i>Common Stock –</i>	57,471,827	shares outstanding as of February 27, 2012
	8.0 billion	shares authorized
	38,124,353	Freely tradable
	1	Beneficial shareholders
	613	Shareholders of record
<i>Preferred Stock –</i>	98,736,695	shares outstanding as of February 27, 2012
	100,000,000	shares authorized
	0	freely tradable
	0	Beneficial shareholders
	37	Shareholders of record

ITEM III - INTERIM FINANCIAL STATEMENTS (unaudited)

Ingen Technologies, Inc.
Consolidated Balance Sheets

	Balance as <u>of February 28, 2011</u>	Balance as <u>of February 27, 2012</u>
ASSETS		
Current assets		
Cash	\$ 17,194	\$ 129
Accounts receivable	359	-
Inventories	103,318	98,462
Prepaid expenses	144,567	-
Total current assets	265,438	98,591
Property and equipment, net	81,113	74,208
TOTAL ASSETS	\$ 346,551	\$ 172,799
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	\$ 324,326	\$ 276,961
Accrued expenses	964,314	1,067,872
Officer's loans	743,422	788,027
Deferred warranty revenue	1,950	866
Judgment payable	1,924,522	2,235,158
Convertible notes payable, net of unamortized discount	1,183,240	1,254,234
Total current liabilities	5,141,774	5,623,118
Long-term liabilities		
Convertible notes payable, net of unamortized discount	34,018	36,059
Derivative liability	1,720,451	1,823,678
Total long-term liabilities	1,754,469	1,859,737
Total liabilities	6,896,243	7,482,855
Stockholders' deficit		
Preferred stock, Series A, no par value, preferred liquidation value of \$1.00 per share, 100,000,000 shares authorized, 95,280,293 and 98,736,695 issued and outstanding as of February 28, 2011 and February 27, 2012, total liquidation preference of \$95,280,293 and \$98,736,695	907,497	951,765
Common stock, no par value, authorized 8,000,000,000 shares, 37,764,504 and 57,471,827 issued and outstanding as of February 28, 2011 and February 27, 2012	19,702,856	21,631,809
Common stock subscription receivable	-	-
Common stock subscription	60,000	100,000
Series A Stock Subscription	-	-
Accumulated deficit	(27,220,045)	(29,993,630)
Total stockholders' deficit	(6,549,692)	(7,310,056)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 346,551	\$ 172,799

See notes to consolidated financial statements

Ingen Technologies, Inc.
Consolidated Statement of Operations

	For the quarters ended February 27,		For the nine months ended February 27,			
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>		
Sales	\$ 19,338	\$ 1,455	\$ 36,539	\$ 10,037	1229%	
Cost of sales	<u>14,011</u>	<u>806</u>	<u>21,200</u>	<u>8,645</u>	16.383375	
Gross Profit	5,327	649	15,339	1,392	0.28	0.45
Selling, general and administrative expenses	<u>212,775</u>	<u>12,653</u>	<u>1,265,793</u>	<u>237,171</u>	15.82	
Operating loss	(207,448)	(12,004)	(1,250,454)	(235,779)		
Other income (expenses)						
Interest expense	(335,089)	(302,866)	(972,688)	(877,564)	0.1063936	
Sale of distribution rights	-	-	6,000	-		
Debt forgiveness income	-	-	-	-		
Change in derivative liability	<u>718,149</u>	<u>857,435</u>	<u>38,655</u>	<u>139,286</u>		
Net loss before taxes	175,612	542,565	(2,178,487)	(974,057)		
Provision for income taxes	<u>-</u>	<u>-</u>	<u>-</u>			
Net loss	<u>\$ 175,612</u>	<u>\$ 542,565</u>	<u>\$ (2,178,487)</u>	<u>\$ (974,057)</u>		
Basic and diluted net loss per share	<u>\$ 0.01</u>	<u>\$ 0.17</u>	<u>\$ (0.26)</u>	<u>\$ (0.43)</u>		
Weighted average number of shares outstanding	11,956,916	3,187,761	8,439,657	2,245,723		

Ingen Technologies, Inc. and Subsidiary
Consolidated Statement of Stockholders' Deficit

	Series A Preferred Stock		Common Stock		Series A Preferred Stock	Common Stock	Common Stock	Retained	Total
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Subscription</u>	<u>Subscription receivable</u>	<u>Subscription</u>	<u>Earnings</u>	
Balance at February 27, 2012	98,736,695	\$ 951,765	57,471,827	\$ 19,155,773	\$ -			\$ (25,041,558)	\$ (4,924,020)
Rounding shares on reverse stock split									
Conversion of Series A Preferred stock into common stock	500,000	(60,868)	5,000,000	60,868					-
Issuance of preferred for subscription receivable		10,000							10,000
Issuance of Series A Preferred stock for services	500,000	3,000							3,000
Redemption of preferred for payable		(5,000)							(5,000)
Series A Preferred stock issued for cash		8,600							8,600
Issuance of common stock for cash				244,242					244,242
Issuance of common stock for conversions of notes				232,996					232,996
Cancellation of note conversion				(100,000)					(100,000)
Excess value of stock issued for conversion of notes (booked as interest expense)				97,365			-		97,365
Issuance of common stock for judgment payable				11,612					11,612
Net loss for nine months ended February 28, 2011	-	-	-	-	-	-	-	(2,178,487)	(2,178,487)
Balance at February 28, 2011	<u>99,736,695</u>	<u>\$ 907,497</u>	<u>62,471,826</u>	<u>\$ 19,702,856</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27,220,045)</u>	<u>\$ (6,599,692)</u>

Ingen Technologies, Inc.
Consolidated Statement of Cash Flows

**For the nine months ended
February 28,**

	<u>2010</u>	<u>2009</u>
Cash flow from operating activities		
Net loss	\$ (2,178,487)	\$ (4,723,923)
Depreciation and amortization	23,509	21,910
Expenses paid with stock and options	100,364	5,968,441
Expenses paid through issuance of notes	168,000	794,000
Change in derivative liabilities	34,935	(8,905,619)
Debt forgiveness income	-	(152,041)
Non-cash interest expense and financing costs	609,734	4,043,446
(Increase) decrease in prepaid expenses	(34,950)	(102,870)
(Decrease) increase in accounts payable	288,006	(253,374)
(Decrease) increase in accrued expenses	313,221	(463,261)
(Decrease) increase in judgment payable	-	2,157,537
(Decrease) increase in deferred revenue	(2,777)	(4,537)
(Increase) decrease in accounts receivable	(359)	(41)
(Increase) decrease in inventory	24,169	(122,358)
Net cash used in operating activities	(654,635)	(1,742,690)
Cash flow from investing activities		
Purchase of property and equipment	(21,688)	(5,229)
Net cash used in investing activities	(21,688)	(5,229)
Cash flow from financing activities		
Sale of common stock	244,242	745,000
Sale of Series A preferred stock	8,600	306,000
Proceeds from stock subscription receivable	100,000	30,000
Stock subscription receivable	(40,000)	-
Redemption of preferred stock	(5,000)	
Payments on loans	-	(115,414)
Proceeds from stockholder and officer loans	171,388	1,340,000
Repayments of stockholder and officer loans	(54,264)	(196,308)
Net cash provided by financing activities	424,966	2,109,278
Net cash increase (decrease)	(251,357)	361,359
Cash at beginning of year	268,551	42,272
Cash at end of year	\$ 17,194	\$ 403,631
Supplemental information		
Cash paid for taxes	\$ -	\$ 810
Cash paid for interest expense	\$ -	\$ -
Non-Cash Activities:		
Exchange of Series A		
preferred stock for common stock	\$ 60,868	\$ 179,550
Issuance of common stock for conversion of notes	\$ 232,998	\$ 1,963,390
Repayment of stockholder and officer loans through wrap-around agreements (new notes issued)	\$ 107,815	\$ 1,511,423

NOTE 1 - NATURE OF BUSINESS

As of February 27, 2012, Ingen Technologies, Inc. did not renew its ISO Certification 13485:2003. The company is a medical device manufacturer with products registered under the U.S. Food & Drug Administration. The company holds a manufacturing license issued by the California Department of Health & Human Services in Compliance with manufacturing practices in the State of California.

The Company has developed markets, and distributes medical products, with applications in the respiratory device industry. Ingen Technologies, Inc., a Georgia corporation (the "Company" or "Ingen Technologies"), is a public company trading under NASDAQ OTC Pink Sheets: "IGNT". Ingen Technologies, Inc. (the Georgia corporation) owns 100% of the capital stock of Ingen Technologies, Inc., (the Nevada corporation); and this subsidiary was incorporated on June 10, 1999.

Ingen's flagship product is its Oxyview® pneumatic oxygen flow meter line of products. These products include Oxyview®, The SMART Nasal Cannula® with Oxyview®, and the INGEN Pulse Oximeter®. The Oxyview® product line has multiple applications, inclusive of, but not limited to, the Home Care Medical Industry, Commercial Medical Industry, Government Services Administration and the Aircraft Industry.

According to the 2007 CDC statistics, there are an estimated 23 million patients diagnosed with chronic obstructive pulmonary disease (COPD) in the United States, an estimated additional 12 million patients undiagnosed, and an estimated 600 million patients worldwide, according to the World Health Organization. COPD is the fifth leading cause of death in the USA and is one of the leading causes of death in Asia, Latin America and Europe. The majority of COPD patients require continued medical care, in addition to home oxygen therapy, which includes all of the required equipment prescribed by medical providers and supplied by the home suppliers of Durable Medical Equipment (DME). With the ongoing cuts of reimbursement for oxygen providers in the USA, the home (DME) providers need to cut costs to stay in business. The company's Oxyview® has proven to provide a substantial savings as a result of decreasing the number of unnecessary service calls for the home (DME) provider, as well as may prevent harm and malpractice issues in the therapy care section and hospital setting.

Ingen's Oxyview® is a pneumatic metering device that displays and confirms the oxygen flow rate near the patient. The Oxyview® flow meter easily and quickly installs on to the oxygen tubing, in-line, nearest the patient where oxygen flow matters the most. Without the Oxyview®, patients cannot confirm oxygen flow traveling through the oxygen tubing, and as a result may create anxiety as well as unnecessary patient service calls to the (DME) provider. Oxyview® also allows the home (DME) provider to trouble-shoot other equipment problems over the telephone which eliminates an on-site visit with the patient. More important, the Oxyview® provides the patient with more assurance that they are receiving adequate and prescribed oxygen flow. In most cases, the Oxyview® cost less than a single service call.

The Company introduced the new SMART Nasal Cannula in May 2009, and the new INGEN Pulse Oximeter in early 2010. The Company offers both a reusable Oxyview® and a disposable Oxyview® attached to a nasal cannula. Oxyview® is reusable and the SMART Nasal Cannula® is a disposable soft-tip, latex free cannula that incorporates the Oxyview® in-line and requires no batteries, and pneumatically works all the time in any position with all liquid or gas O2 systems.

An essential component to COPD patients and their home care is a flow meter to ensure that the right amount of oxygen is being delivered, and just as important that it is being delivered at all. Regardless of the use of an oximeter to measure blood gas, Oxyview® provides vital information related to functionality of the oxygen nasal cannula and all of the oxygen equipment. If something is wrong with the cannula or equipment, the Oxyview® will immediately display the oxygen flow. This is usually achieved by a pneumatic flow meter, but most that are currently on the market are expensive, attach at the tank, and are gravity-operated, which means that they only work in the vertical position with or without the cannula attached at the delivery source. In contrast, Oxyview® attaches to the Oxygen Nasal Cannula close to the patient— where oxygen matters the most. Oxyview® is 97 percent accurate and works hands-free in any position, whereas the conventional flow meter is less than 80 percent accurate and does not attach to the cannula.

Gravity-operated devices are also inconvenient for the patient since they must keep the tanks within sight to check the gauges for flow rate. If the tank is tilted even slightly, the gravity-operated flow meter becomes even more inaccurate and may cease functioning because friction is too great. One alternative is a digital flow meter, but these may be prohibitively expensive.

The INGEN Pulse Oximeter is a fingertip pulse oximeter made for patients who use oxygen and need to monitor oxygen levels on a regular basis. Being the most user friendly pulse oximeter today, the INGEN Pulse Oximeter offers a large color display, graphs and 6 mode functions while it uses less power and requires less batteries over a much longer period of time. This creative device easily fits in your pocket and will accommodate both adult and pediatric sizes.

The Oxyview® and the SMART Nasal Cannula with Oxyview® technology is a nasal cannula available to COPD patients, respiratory therapists, cardiopulmonary care, home care patients, hospital oxygen equipment suppliers, respiratory patients, medical respiratory equipment providers, respiratory supplies providers, medical facilities that provide an adult nasal cannula or high flow nasal cannula as oxygen Medical supplies, nasal cannula suppliers and suppliers of an Oxygen Flow Meter.

Although Ingen owns all of the tooling, molds, intellectual property and manufacturing processes, it subcontracts to third party manufacturers for production, assembly and packaging of all its products. These third party contract manufacturers are ISO 13485:2003 certified. The Pulse Oximeter is a private label product manufactured by another company.

Corporate History:

The Company was incorporated under the laws of the State of Colorado on August 3, 1989, under the name of Regional Equities Corporation. The principals of this new corporation decided to develop and operate a chain of restaurants, and in May of 1990 changed its name to Classic Restaurants and completed an initial public offering of units consisting of its Class A Common Stock and three separate classes of warrants. All of the warrants issued in connection with the offering expired without any being exercised. The Company developed two Florida based restaurants. Effective upon the close of trading on July 12, 1994, the Company effectuated a 1-for-10,000 reverse stock split of its Class A Common Stock. Effective on the close of trading on November 7, 1994, the Company effectuated a 10-for-1 forward stock split of its Class A and Class B Common Stock. In September 1995, the Company declared a 50% share dividend payable to the holders of record of its Class A and Class B Common Stock on October 13, 1995. At a special meeting of the shareholders of the Company held on April 13, 1998, the shareholders voted to close down the restaurants and approve a merger of the Company with and into Creative Recycling Technologies, Inc. ("CRTZ"), incorporated under the laws of the State of Georgia.

CRTZ developed a rubber tire recycling technology. The Company moved the state of incorporation from Colorado to Georgia. The merger became effective on April 14, 1998. As of the effective date of the merger, the Company ceased to exist as a separate legal entity, and CRTZ assumed, and became the owner of all of the liabilities and assets of the Company by operation of law. Under the Agreement and Plan of Merger, common and preferred shareholders received, for each share of common or preferred stock which they owned, one share of common or preferred stock in CRTZ which has the same rights, preferences and limitations as the shares which they owned in we immediately before the effective date of the merger. Effective upon the close of trading on April 14, 1998, the Company effectuated a 1-for-20 reverse stock split of its Class A and Class B Common Stock. The Company was dissolved on December 11, 1998 after a grievance regarding breach of the merger agreement of April 14, 1998, and there was no business activity until November of 2004.

On March 22, 2004, a merger agreement was approved between Creative Recycling Technologies (CRTZ) and Ingen Technologies, Inc., a private Nevada Corporation. Ingen Technologies, Inc. survived as the new subsidiary of Creative Recycling Technologies for the sole purpose of operating the new business. Creative Recycling Technologies changed its name to Ingen Technologies Inc., and remained a Georgia corporation, with completely new management and an active business plan in the medical devices industry, operated through the new subsidiary; "Ingen Technologies Inc.", a Nevada Corporation, and wholly owned subsidiary of the public Company, Ingen Technologies Inc., a Georgia corporation.

The current subsidiary, Ingen Technologies, Inc., the Nevada corporation, was founded and incorporated by Scott R. Sand on June 10, 1999. Upon the effective date of the merger in March of 2004, Mr. Sand became the Chief Executive Officer and Chairman of the Board of Directors for both the public company and the subsidiary. In February 2011, Mr. Sand resigned his board position and officer position with the public company. He is currently the President of Ingen (Nevada), the wholly owned subsidiary of the public company.

On December 5, 2005, the Company effected changes to the capital structure that reduced the number of authorized common shares from 500 million to 100 million. The number of authorized preferred shares remained unchanged at 40 million and was designated as Series-A Convertible Preferred Stock. The stockholders authorized a reverse split of common shares on a ratio of 40 into 1 and preferred shares on a ratio of 3 into 1.

On November 16, 2006, Ingen purchased the intellectual property rights for Oxyview. Ingen had co-invented the Oxyview product with a third party. The agreement gave Ingen sole ownership of the product and intangible pending patents associated with Oxyview. Patents for Oxyview are pending in the United States, Japan, People's Republic of China and the European Communities. Oxyview relates to flow meters which provide a visual signal for gas flow through a conduit. More particularly it relates to a flow meter which provides a visual cue viewable with the human eye, as to the flow of gas through a cannula which conventionally employs very low pressure and gas volume to a patient using the Oxyview. Ingen began selling Oxyview in November of 2006.

On February 12, 2008, the shareholders approved a resolution to amend the Articles of Incorporation to increase the number of authorized shares of common stock from 100,000,000 to 750,000,000, and authorized a reverse split of common shares on a ratio of 600 into 1, effective on August 27, 2008; thereby reducing the number of issued and outstanding shares from 342,946,942 to 572,259. The Series-A Convertible Preferred shares were not affected by this reverse stock split.

On August 27, 2008, Ingen effectuated a reverse stock split at a rate of one share for every six hundred (600) then outstanding. The Series A Preferred stock was not affected by these reverse stock splits.

On January 22, 2009, the stockholders authorized a reverse split of common shares on a ratio of 3,000 into 1. This reverse stock split went into effect on March 18, 2009. The cumulative effect of the two reverse stock splits in August 2008 and March 2009 was a rate of one share for every 1,800,000. The stockholders also approved an increase in the number of authorized shares of common stock to 2.5 billion and an increase in the number of authorized shares of the Series-A preferred stock to 100 million. There was a change in the rights of the Series-A preferred stock to include special voting rights, giving them 10 votes per share (previously each share received one vote, on equal footing with the common stock). The Series A preferred shares are now convertible into 10 shares of common stock (they previously were convertible at a rate of one for one).

On September 25, 2009, the shareholders authorized an increase of our authorized number of shares of common stock from 2.5 billion to 3.5 billion.

On April 12, 2010, the shareholders authorized an increase of our authorized number of shares of common stock from 3.5 billion to 8 billion.

On September 20, 2010, at the Annual Shareholder Meeting, the stockholders authorized a reverse split of common shares on a ratio of 1,000 into 1. The effects of all reverse stock splits, including this one, have been adjusted for in the financial statements herein. FINRA effectuated the reverse split on November 22, 2010.

In October-2010 the following Directors resigned from the company:

Name	Age	Title
Yong Sin Khoo	46	Director (March 29, 2004 to October-2010)
Christopher A. Wirth (March 29, 2004 to October-2010)	55	Chief Operations Officer & Director
Stephen O'Hara	57	Director (September 22, 2005 to October-2010)
John Finazzo	45	Director (March 20, 2006 to October-2010)
Charles E. Vorwaller	52	Director (September 22, 2009 to October-2010)

On January 31, 2011, the Honorable Patricia A. Seitz, United States District Judge for the Southern District of Florida, signed a JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AS TO DEFENDANT INGEN TECHNOLOGIES, INC. The Judgment permanently enjoins the Company from violating Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 of the Securities and Exchange Commission ("SEC). The Judgment also provides for disgorgement and a civil penalty, the amounts of which are to be determined once the SEC files a motion (not as yet filed). The Judgment incorporates the Company's Consent by reference. The Court retained jurisdiction. A full and complete copy of the Court's Judgment is attached hereto as an exhibit and incorporated herein by this reference.

On February 4, 2011 during a special meeting held by the Board of Directors, there was a majority vote to appoint Gary Tilden as Chief Operations Officer and a member of the Board of Directors for Ingen Technologies, Inc.

On February 14, 2011, at a duly constituted special meeting of the Directors of Ingen Technologies, Inc., Scott Sand resigned as the CEO and Chairman of the Board; the CFO and Secretary, Thomas J. Neavitt, was appointed interim CEO and Gary Tilden is elected as Chairman of the Board and Corporate Secretary. Scott Sand is no longer CEO or Chairman of the Board of Ingen Technologies. An 8-K is filed with Edgar regarding this matter. Thomas Neavitt was released as Corporate Secretary and Treasurer.

On April 22, 2011 the company filed an 8-K regarding Ingen Technologies, Inc., a Georgia corporation (the "Company") and its CEO, Scott R. Sand, who were named as defendants in an enforcement action filed by the Securities and Exchange Commission. The Complaint was filed on October 7, 2010 in the Southern District of Florida. Case Number 1:10-cv-23602-PAS styled Securities and Exchange Commission vs. Scott R. Sand and Ingen Technologies, Inc. On December 28, 2010, the Securities and Exchange Commission submitted the signed Consent of Defendant, Ingen Technologies, Inc. to resolve the issues of liability against the Company. The Company agreed to a Judgment of Permanent Injunction and Other Relief which, among other things, permanently restrains and enjoins the Company from violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 of the Exchange Act Rules. The SEC's action against Mr. Sand was not resolved by the Company's Consent. Moreover, the Company remains subject to the assessment of civil penalties and disgorgement by the court. Mr. Sand was, and still is, an affiliate stockholder of the Company. The Company has kept its OTC Markets public disclosure filings current. Information regarding the SEC civil case and the U.S. Attorney's criminal complaint against Mr. Sand, discussed below, are reported therein. For access, go to www.otcm Markets.com. Then type in "IGNT" where it says "Get Quote". When the IGNT screen comes up, click on "Financials." On February 1, 2011, Judgment was entered as to the Company. Without admitting or denying the allegations in the Complaint, the Company, its management, agents and others are permanently enjoined from violating enumerated sections of the Securities Act of 1933 and the Securities and Exchange of 1934. Disgorgement and civil penalty matters have not as yet been taken up by the Court (awaiting a motion filing from the SEC). It is possible that this portion of the Court's order will involve payment of an amount sufficient to materially affect the Company and its subsidiary. Our Form 8-K, posted on EDGAR on February 8, 2011, contains the Civil Judgment as to the Company. On February 15, 2011, Judgment was entered regarding Mr. Sand in the civil enforcement action. According to the Court's Order; without admitting or denying the allegations in the Complaint, Mr. Sand is permanently enjoined from violating enumerated sections of the Securities Act of 1933 and the Securities and Exchange of 1934, and is barred from managing publicly reporting companies and involvement in the offer and sale of any penny stock (defined as a stock with a price under \$5 per share). Disgorgement and civil penalty matters have not as yet been taken up by the Court (awaiting a motion filing from the SEC). A copy of the Civil Judgment as to Mr. Sand is included within the Company's Supplemental Information filings, dated February 15, 2011 on the Company's OTC Financials postings. The United States filed a Criminal Information Statement against Mr. Sand in the Southern District of Florida on October 7, 2010. In United States v. Scott Sand, Case No. 10-60257-CR-WPD, defendant Scott Sand, 52, of Yucaipa, California, is charged with engaging in a scheme to pay kickbacks to a pension fund fiduciary to induce the fiduciary to misappropriate money from a pension fund in order to buy restricted common stock at inflated prices. Mr. Sand plead no contest to one of two counts in the Criminal Information Statement. Mr. Sand has made full financial restitution in this matter. On Wednesday, April 13, 2011, Scott R. Sand, was sentenced in the case of United States v. Scott Sand to one year and a day in prison and a fine of \$4000. On Thursday, April 14, 2011, Judge William Dimitroff granted Mr. Sand's motion for a downward variance citing his prior good works, lack of prior conduct and opined Sand is unlikely to ever be in a courtroom again. We are informed by Mr. Sand's counsel that downward variances are rarely granted but overwhelming evidence of both Sands' commitment to the community and medical industry were a factor in the court's ruling. Mr. Sand is no longer President of our wholly owned subsidiary, Ingen Technologies, Inc., a NV company. Our subsidiary conducts the day-to-day business operations of the Company. Mr. Gary Tilden, COO of Ingen Technologies, Inc., the GA company (IGNT), has been assigned these duties for the time being. Prior to the filing of the aforesaid federal court civil and criminal matters, Mr. Sand had been the driving managerial force behind the Company and its subsidiary for several years. Although the Company has complete faith in the abilities of Mr. Tom Neavitt, Interim CEO and Mr. Tilden moving forward, it is likely the operations of the Company's subsidiary will be adversely affected now that Mr. Sand is incarcerated as part of the Criminal Judgment. Current information concerning the financial and business condition of the Company is reported on the Company's aforesaid OTC Markets page (in Financials).

On September 7, 2011 the SEC had dismissed all monetary claims against Scott Sand, former CEO and Chairman of the Board; including any civil penalties and disgorgement. The Plaintiff (SEC) Notice of Voluntary Dismissal Case 1:10-cv-23602-PAS was filed in the United States District Court, Southern District of Florida on September 7, 2011.

PENDING RESTATEMENTS

The Company is in the process of completing an audit for the fiscal year ended May 31, 2009. As part of this audit, certain adjustments are being made to the unaudited financial statements for May 31, 2009 through May 31, 2010. These previously filed financial statements are inaccurate and need to be amended. The Company was in the process of working toward amending and resubmitting financial statements previously filed on Pink Sheets.com, although on December 4, 2008 the company filed Form 15-12g (CERTIFICATION AND NOTICE OF TERMINATION OF REGISTRATION UNDER SECTION 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934 OR SUSPENSION OF DUTY TO FILE REPORTS UNDER SECTIONS 13 AND 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.) The Company plans to continue working toward making required filings with the Securities and Exchange Commission for periods from August 31, 2009 and prior to become a fully reporting company.

Stock Issuances for Fiscal Quarter Ended February 27, 2012

On June 23, 2011, the Company issued 1,333,334 common shares to a third party consultant pursuant to certain terms and conditions of a media contract. The conversion was valued at \$13,333 (\$.01 per share) which represents the discount to market price on that date.

On July 1, 2011, the Company issued 500,000 Preferred Series A Stock to a third party consultant pursuant to certain terms and conditions of a marketing agreement. The conversion was valued at \$5,000 (\$.01 per share) which represents the Par Value.

On July 22, 2011, the Company converted 500,000 shares of Series A Preferred stock to 5,000,000 common shares to an accredited investor. The conversion was valued at \$50,000.00 which represents the value of the preferred stock on the Company's books (the original stock issuance was valued at \$0.01 per share).

On April 5, 2012 the company issued 5,006,441 Common Shares to a third party investor as part of a conversion request and convertible note in the amount of \$60,000 dated June 11, 2010. The Stock is issued based on a per share price \$0.00175 which shall equal 5,006,441 shares at \$8,761,27 PRINCIPAL AMOUNT.

STOCK OFFERINGS

In the quarter ended February 27, 2012 the Company issued 6,333,334 shares of common and there were no stock offerings.

In the quarter ended February 28, 2011, the Company sold no shares.

In the quarter ended May 31, 2011, the Company sold 13,073,989 shares of common stock under various agreements and debt instruments for gross proceeds of \$30,000. The company also sold 4,275,000 shares of Preferred Series-A stock pursuant to two Share Purchase Agreements and a Royalty Agreement.

Intellectual Property:

Issued U.S. Patents:

OxyAlert October 24, 2000, US Patent no. 6,137,417 and expires May 24, 2019
OxyAlert December 4, 2001, US Patent no. 6,326,896 and expires October 24, 2020

Issued Foreign Patents:

Oxyview July 1, 2009, Chinese Patent no. 200710005067.4 and expires April 23, 2029

Pending U.S. Patents:

Oxyview filed June 16, 2006, pending serial no. 78-886168

Pending Foreign Patents:

Oxyview Japanese Patent Application no. 2006-331151
Oxyview European Patent Application no. 06,122,455.6

Registered Trademarks:

BAFI on November 21, 2000 registration no. 2,406,214
OxyAlert on April 4, 2006, registration no. 3,076,716
GasAlert on April 11, 2006, registration no. 3,079,488
Oxyview on May 20, 2008, registration no. 3,433,217
Secure Balance April 12, 2009 registration no. 77-40555
Smart Nasal Cannula March 1, 2011 registration no. 77,962,717

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Principle of Consolidation and Presentation: The accompanying consolidated financial statements include the accounts of Ingen Technologies, Inc. and its subsidiary after elimination of all intercompany accounts and transactions. Certain prior period balances have been reclassified to conform to the current period presentation.

Use of estimates: The preparation of the accompanying consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenue, and expenses. Actual results may differ from these estimates.

Revenue Recognition: the Company recognizes product revenue when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collection is probable. In instances where final acceptance of the product is specified by the customer, revenue is deferred until all acceptance criteria have been met. No provisions were established for estimated product returns and allowances based on the Company's historical experience. All orders are customized with substantial down payments. Products are released upon receipt of the remaining funds.

Certain of the Company's sales include a limited right for the customer to return the product if they are not satisfied. In accordance with SFAS No. 48, *Revenue Recognition When Right of Return Exists*, the Company makes periodic assessments of return activity and if necessary records a reserve for product returns.

Cash Equivalents: For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Fair Value of Financial Instruments: the Company's financial instruments consist principally of cash, accounts receivable, inventories, accounts payable and borrowings. The Company believes the financial instruments' recorded values approximate current values because of their nature and respective durations. The fair value of embedded conversion options and stock warrants are based on a Black-Scholes fair value calculation. The fair value of convertible notes payable has been discounted to the extent that the fair value of the embedded conversion option feature exceeds the face value of the note. This discount is being amortized over the term of the convertible note.

Inventories: the Company carries its inventories at cost, inclusive of freight and sales taxes.

Property and Equipment: Property and Equipment are valued at cost. Maintenance and repair costs are charged to expenses as incurred. Depreciation is computed on the straight-line method based on the following estimated useful lives of the assets: 5 years for computer, software and office equipment, and 7 years for furniture and fixtures.

Convertible Notes Payable and Derivative Liabilities: The Company accounts for convertible notes payable and warrants in accordance with Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities." This standard requires the conversion feature of convertible debt be separated from the host contract and presented as a derivative instrument if certain conditions are met. Emerging Issue Task Force (EITF) 00-19, "Accounting for Derivative Financial Instruments Indexed to and Potentially Settled in a Company's Own Stock" and EITF 05-2, "The Meaning of 'Conventional Convertible Debt Instrument' in issue NO. 00-19" were also analyzed to determine whether the debt instrument is to be considered a conventional convertible debt instrument and classified in stockholders' equity.

All convertible notes payable were evaluated and determined not to be conventional convertible debt instruments and, therefore, because of certain terms and provisions including liquidating damages under the associated registration rights agreement the embedded conversion option was bifurcated and has been accounted for as a derivative liability instrument. The stock warrants issued in conjunction with the convertible notes payable were also evaluated and determined to be a derivative instrument and, therefore, classified as a liability on the balance sheet. The accounting guidance also requires that the conversion feature and warrants be recorded at fair value for each reporting period with changes in fair value recorded in the consolidated statements of operations.

A Black-Scholes valuation calculation was applied to both the conversion features and warrants at issuance dates and again on every subsequent quarter. The issuance date valuation was used for the effective debt discount that these instruments represent. The debt discount is amortized over the life of the debts using the effective interest method. The February 28, 2010 and 2011 valuations were used to record the fair value of these instruments at the end of the reporting period with any difference from prior period calculations reflected in the consolidated statement of operations.

Research and Development: the Company incurred expenditures of \$10,175 and none for research and development in the quarters and nine months ended February 28, 2010 and 2011, respectively. The Company expenses all research and development costs.

Common Stock: On August 27, 2008, Ingen effectuated a reverse stock split at a rate of one share for every six hundred (600) then outstanding. The Series A Preferred stock was not affected by this reverse stock split. On March 18, 2009, Ingen effectuated another reverse stock split. This additional reverse split was at a rate of one share for every three thousand (3,000) then outstanding. The cumulative effect of these two reverse stock splits was a rate of one share

for every 1,800,000. The Series A Preferred stock was not affected by these reverse stock splits. On September 28, 2009, the Company increased its number of authorized shares of common stock from 2.5 billion to 3.5 billion. On April 12 2010, the Company increased its total authorized common shares from 3.5 billion to 8.0 billion. On November 22, 2010, the Company effectuated another reverse stock split on its common stock at a rate of one share for every one thousand (1,000) then outstanding. The total cumulative effect of the three reverse stock splits since August 2008 is one share for every 1.8 billion. The effects of all reverse stock splits are reflected in the unaudited financial statements contained herein and as a part of the Corporate History section.

Preferred Stock: Ingen has authorized 100,000,000 shares of Series A Convertible Preferred Stock. The Series A stock is not entitled to dividends. Ingen has the right but not the obligation to redeem each share of Series A stock at a price of \$1.00 per share. In the event of voluntary or involuntary liquidation, dissolution, or winding up of the corporation, each share of Series A shall be entitled to receive from the assets of the Company \$1.00 per share, which shall be paid or set apart before the payment or distribution of any assets of the corporation to the holders of the Common Stock or any other equity securities of the Company. Each share of Series A shall be entitled to vote on all matters with the holders of the Common Stock. Each share of Series A stock shall be entitled to ten votes. The holders of the Series A voting as a class shall be entitled to elect one person to serve on the Company's Board of Directors. The Series A is convertible into ten shares of fully paid and non-assessable share of Common Stock upon 65 days of written notice. The Series A stock shall not be affected by or subject to adjustment following any change to the amount of authorized shares of Common Stock or the amount of Common Stock issued and outstanding caused by any split or consolidation of the Company's Common Stock.

Income Taxes: Income tax expense is based on pretax financial accounting income. Deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts. The Company records a valuation allowance to reduced deferred tax assets to the amount that is believed more likely than not to be realized.

Net Loss Per Share: Basic net loss per share includes no dilution and is computed by dividing net loss available to common stockholders by the weighted average number of common stock outstanding for the period. Diluted net loss per share does not differ from basic net loss per share since potential shares of common stock are anti-dilutive for all periods presented. Potential shares consist of Series A preferred stock and outstanding warrants.

Management does not believe there would have been a material effect on the accompanying financial statements had any recently issued, but not yet effective, accounting standards been adopted in the current period.

NOTE 3 - GOING CONCERN

The Company's consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liabilities and commitments in the normal course of business. In the near term, the Company expects operating costs to continue to exceed funds generated from operations. As a result, the Company expects to continue to incur operating losses and may not have sufficient funds to grow its business in the future. The Company can give no assurance that it will achieve profitability or be capable of sustaining profitable operations. As a result, operations in the near future are expected to continue to use additional working capital. The Company believes that this situation can be crippling unless revenues can be substantially increased and/or significant additional funding can be received in order to support the Company's operations until revenues exceed operating costs.

To successfully grow the business, the Company must decrease its cash burn rate, improve its cash position and its revenue base, and succeed in its ability to raise additional capital through a combination of primarily public or private equity offering or strategic alliances. The Company also depends on certain contractors and its officers, and the loss of any of those contractors or the corporate officers, may harm the Company's business.

As of February 27, 2012, the Company has total current liabilities of \$5,623,118 and total liabilities of \$7,482,855. Its total assets are only \$172,799, of which only \$129 are liquid assets (cash).

The Company reported net income loss of (\$124,135) for the quarter ended February 27, 2012 (the loss for the nine months ended February 28, 2012 was (\$607,072) and as of that date, had an accumulated deficit of (\$29,993,630).

The Company intends on making attempts to raise capital through stock sales and note issuances. Management believes that with adequate funds it can increase sales of its products and move toward positive cash flow.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows:

	As of May 31, <u>2011</u>	As of February 27, <u>2012</u>
Vehicles	\$ 9,500	\$ 9,500
Furniture & Fixtures	31,705	11,600
Machinery & Equipment	201,708	199,358
Leasehold Improvements	<u>60,000</u>	<u>0</u>

	302,913	220,458
Less accumulated depreciation	<u>(221,800)</u>	<u>(161,425)</u>
Property and Equipment, net	<u>\$ 81,113</u>	<u>\$ 59,033</u>

NOTE 5 - ACCRUED EXPENSES

Accrued expenses at February 27, 2012 and May 31, 2011 consist of:

	As of May 31, <u>2011</u>	As of February 27, <u>2011</u>
Accrued officer's compensation	\$ 299,299	\$ 313,299
Accrued interest expense	656,713	675,511
Accrued taxes	7,791	8,725
Accrued royalties payable	<u>511</u>	<u>602</u>
Total	<u>\$ 964,314</u>	<u>\$ 998,137</u>

NOTE 6 - CONVERTIBLE NOTES PAYABLE AND DERIVATIVE LIABILITIES

Events of default under Note Agreements and Settlement Agreement: As of May 31, 2009, the Company had committed various acts which constitute events of default under its Securities Purchase Agreements dated July 25, 2006, March 15, 2007 and July 15, 2007 (and the notes thereunder with total principal balances of \$2,031,547). The investors commenced legal action against the Company in July of 2009. On July 31, 2009, the Company entered into a Settlement and Forbearance Agreement with the note holders. Under the terms of this Agreement, the Company stipulated to a judgment in the amount of \$4.5 million. All warrants held by the note holders were cancelled. Further, the Company agreed to issue the greater of (a) 40 million shares or (b) twenty percent (20%) of the prior week's total trading volume of free trading common stock to the note holders. The note holders also consented to the Company offering up to \$4 million of securities for sale and agreed to forbear any collection efforts so long as one half of the net offering proceeds were paid to the note holders. As long as the Company delivers the shares due each week and makes payments of any offering proceeds to the note holders, they agreed to forbear enforcing the Judgment or enforcing any of their security interests through and until May 31, 2010. The Judgment amount of \$4.5 million shall be reduced by any net proceeds from the disposition of the stock paid under this Settlement Agreement and by any other cash payments made by the Company.

CONVERTIBLE NOTE SUMMARIES

The Company issued an aggregate of \$2,335,000 in convertible debentures under Securities Agreements dated July 25, 2006, March 15, 2007 and July 15, 2007. As of May 31, 2009, Ingen had committed various acts which constitute events of default under these agreements (and the notes there under with total principal balance of \$2,031,547). The investors commenced legal action against the company in June of 2009. On July 31, 2009, the company entered into a Settlement and Forbearance Agreement with the note holders. Under the terms of this Agreement, Ingen stipulated to a judgment in the amount of \$4.5 million. All warrants held by the note holders were cancelled. Further, Ingen agreed to issue the greater of (a) 40 million shares or (b) twenty percent (20%) of the prior week's total trading volume of free trading common stock to the note holders. The note holders also consented to Ingen offering up to \$4 million of securities for sale and agreed to forbear any collection efforts so long as one half of the net offering proceeds were paid to the note holders. As long as Ingen delivers the shares due each week and makes payments of any offering proceeds to the note holders, they agreed to forbear enforcing the Judgment or enforcing any of their security interests through and until May 31, 2010. The Judgment amount of \$4.5 million shall be reduced by any net proceeds from the disposition of the stock paid under this Settlement Agreement and by any other cash payments made by Ingen. As of May 31, 2010, the Company has made payments to the note holders of 1,182,489,170 shares of common stock. The note holders have netted proceeds of \$2,563,866 from the sale of these shares, leaving a balance due of \$1,936,134.

From June 1, 2004 through the end of 2009, the Company issued \$1,645,000 convertible notes to various individuals and entities for services rendered. The Company has settled principal balances of \$995,000 through issuances of shares of common stock. The stock has been issued from November 2008 through the present. The value of the shares issued to settle this debt has totaled \$5,187,861. The excess fair market value of the shares over the face value of the debt has caused the Company to charge approximately \$4.2 million in additional interest expense on the stock issuances.

The Company has restated its financial statements for the fiscal years ended May 31, 2007 and 2008 to reflect \$940,000 worth of convertible debentures that were not previously recorded in its financial statements. Additionally, two notes totaling \$865,000 due to the sole officer and director of the Company, Scott Sand, were also not recorded.

The Company issued two notes to Scott Sand in the amounts of \$300,000 and \$565,000 for past due salary accrued from 1997-2004 on March 20, 2004 and April 2, 2007, respectively. Mr. Sand and the Company entered into four "Wrap-Around Agreements" with two investors from December 2008 through June 2009. Under the terms of these agreements, Mr. Sand sold the debt owed to him to the two entities for the face value of the notes. Simultaneously, the Company modified the notes formerly owed to Mr. Sand (now owed to the investors) to include a convertible feature allowing the investors to convert the notes into common stock at a 50% discount of the average "three deep bid" on the day of conversion. The interest rate on the notes was also adjusted to 15%. As of August 31, 2009, all of the principal balances original notes (a total of \$865,000) were paid in full through the issuance of 458,892,638 reverse-split adjusted shares of common stock. From the proceeds received on the sale of these notes, Mr. Sand has loaned all \$865,000 back to the Company. Since the completion of the original Wrap-Around Agreements, Mr. Sand and the Company have entered into \$250,000 in additional Wrap-Around Agreements. These wrap agreements were fully funded and Mr. Sand loaned back to the Company all of the \$250,000 as of May 31, 2010. In order to settle the Wrap-Around Agreements, the Company issued common shares with a total value of \$2,272,225. The value of these shares exceeded the \$1,115,000 face value of the convertible notes resulting from the Wrap-Around Agreements by \$1,157,225. The Company charged this excess as additional interest expense.

As of August 31, 2010, we entered into a Settlement and Forbearance Agreement with a group of note holders who sued the Company in June of 2009. Under the terms of this Agreement, Ingen stipulated to a judgment in the amount of \$4.5 million. As of August 31, 2010, Ingen owed \$1,924,522 of this judgment.

6% \$315,000 CONVERTIBLE DEBT DATED AUGUST 7, 2007

On August 7, 2007, we issued to an individual a note in the amount of \$315,000 in consideration for services rendered under an agreement entered into on the same date. The note was issued with a 6% interest rate and a one-year term. As of August 31, 2010, we owed the note holder \$105,000 of this original note balance.

6% \$50,000 CONVERTIBLE DEBT DATED MAY 1, 2009

On May 1, 2009, the Company issued to Xcel Associates, Inc. a note in the amount of \$50,000 in consideration for services rendered under an Investor Relation's Agreement entered into on the same date. The note was issued with a 6% interest rate and an 18-month term. This note balance was reduced to \$20,000 through the issuance of common stock in the fiscal year ended August 31, 2010.

\$36,000 CONVERTIBLE DEBT DATED SEPTEMBER 1, 2009

On September 1, 2009, the Company issued to an individual a note in the amount of \$36,000 in consideration for a contract to deliver services from September 2009 through August 2010. The note was issued without an interest rate and is due on demand. The note was issued without an interest rate and is due on demand. This note is convertible at a 40% discount to the average closing price of the three days prior to conversion with a maximum conversion price of \$0.02. The entire balance of \$36,000 is payable as of August 31, 2010.

\$45,000 CONVERTIBLE DEBT DATED SEPTEMBER 1, 2009

On September 1, 2009, the Company issued to an individual a note in the amount of \$45,000 in consideration for a contract to deliver services from September 2009 through August 2010. The note was issued without an interest rate and is due on demand. The note was issued without an interest rate and is due on demand. This note is convertible at a 40% discount to the average closing price of the three days prior to conversion with a maximum conversion price of \$0.02. The entire balance of \$36,000 is payable as of August 31, 2010.

\$48,000 CONVERTIBLE DEBT DATED SEPTEMBER 1, 2009 (Entered into with the father of the Company's CEO and Chairman)

On September 1, 2009, the Company issued to Robert Sand, the father of its CEO and Chairman, a note in the amount of \$45,000 in consideration for a contract to deliver services from September 2009 through August 2010. The note was issued without an interest rate and is due on demand. This note is convertible at a 50% discount to the average closing price of the three days prior to conversion with a maximum conversion price of \$0.02. The entire balance of \$48,000 is payable as of August 31, 2010.

\$300,000 CONVERTIBLE DEBT DATED SEPTEMBER 1, 2009

On September 1, 2009, the Company issued to MedOx Corporation, Inc. a note in the amount of \$300,000 in consideration for a contract to deliver services from September 2009 through February 2010. The note was issued without an interest rate and is due on demand. This note is convertible at a 40% discount to the average closing price of the three days prior to conversion with a maximum conversion price of \$0.02. The entire balance of \$300,000 is payable as of August 31, 2010.

\$50,000 CONVERTIBLE DEBT DATED DECEMBER 2, 2009

On December 2, 2009, the Company issued to an individual a note in the amount of \$50,000 in consideration for legal retainer. The note was issued without an interest rate and is due on demand. The note was issued without an interest rate and is due on demand. This note is convertible at a 40% discount to the average closing price of the three days prior to conversion with a maximum conversion price of \$0.02. The note holder had applied fees in the amount of \$27,657 against the note balance. The Company had booked the \$50,000 as a prepaid legal expense and the prepaid balance of legal fees associated with this note is \$22,343 as of May 31, 2010. The entire balance of \$50,000 is payable as of August 31, 2010.

6% \$50,000 CONVERTIBLE DEBT DATED OCTOBER 5, 2009

On October 5, 2009, the Company issued to Xcel Associates, Inc. a note in the amount of \$50,000 in consideration for services rendered under an Investor Relation's Agreement entered into on the same date. The note was issued with a 6% interest rate and an 18-month term. The entire balance of \$50,000 is payable as of August 31, 2010.

\$24,000 CONVERTIBLE DEBT DATED AUGUST 15, 2010

On August 15, 2010, the Company issued to an individual a note in the amount of \$24,000 in consideration for services rendered under a Distribution Agreement entered into on the same date. The note was issued without interest and is due on demand. This note is convertible at a 40% discount to the average closing price of the three days prior to conversion with a maximum conversion price of \$0.30. The entire balance of \$24,000 is payable as of August 31, 2010.

\$1,909,238 CONVERTIBLE DEBTS UNDER VARIOUS WRAP AGREEMENTS

From December 10, 2008 through August 31, 2010, the Company entered into a series of convertible note agreements totaling \$1,909,238. These amounts were originally due to Scott Sand for accrued compensation, loans made directly to the Company, expenses paid on behalf of the Company and accrued interest on the amounts due to him. Mr. Sand and the Company entered into several "Wrap-Around Agreements" with unrelated third party investors. Under the terms of these agreements, Mr. Sand sold the debt owed to him to the investors for the face value of the note. Simultaneously, the Company modified the amounts formerly owed to Mr. Sand (now owed to the investors) to include a convertible feature allowing the investors to convert the note into common stock at a 50% discount of the average "three deep bid" on the day of conversion. The interest rate on the notes was also adjusted to 15%. As of August 31, 2010, the Company had reduced the balances of these notes to \$346,423 through the issuance of shares of common stock. From the proceeds received on the sale of his loans to the investors, Mr. Sand has loaned \$1,549,615 back to the Company as of August 31, 2010 and another \$13,200 was loaned subsequent to the end of the quarter.

Employment Agreement with Chief Executive Officer, Scott R. Sand – On September 21, 2006, we entered into an Employment Agreement with its President and Chief Executive Officer, Scott R. Sand. The term of the agreement is five years and calls for an annual salary of \$200,000. The company is also required to issue Mr. Sand 300,000 shares of its common stock in each year of the agreement.

As of November 30, 2010, we entered into a Settlement and Forbearance Agreement with a group of note holders who sued the Company in June of 2009. Under the terms of this Agreement, Ingen stipulated to a judgment in the amount of \$4.5 million. As of November 30, 2010, Ingen owed \$1,924,522 of this judgment. We are currently in default under this agreement.

6% \$315,000 CONVERTIBLE DEBT DATED AUGUST 7, 2007

On August 7, 2007, we issued to an individual a note in the amount of \$315,000 in consideration for services rendered under an agreement entered into on the same date. The note was issued with a 6% interest rate and a one-year term. As of November 30, 2010, we owed the note holder \$205,000 of this original note balance (this amount was previously reduced to \$105,000 as a result of stock conversions, however, \$100,000 of those conversions were cancelled in the quarter ended November 30, 2010).

6% \$50,000 CONVERTIBLE DEBT DATED MAY 1, 2009

On May 1, 2009, the Company issued to Xcel Associates, Inc. a note in the amount of \$50,000 in consideration for services rendered under an Investor Relation's Agreement entered into on the same date. The note was issued with a 6% interest rate and an 18-month term. This note balance was reduced to \$20,000 through the issuance of common stock in the fiscal year ended November 30, 2010.

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\$50,000 CONVERTIBLE DEBT DATED DECEMBER 2, 2009

On December 2, 2009, the Company issued to an individual a note in the amount of \$50,000 in consideration for legal retainer. The note was issued without an interest rate and is due on demand. This note is convertible at a 40% discount to the average closing price of the three days prior to conversion with a maximum conversion price of \$0.02. The note holder had applied fees in the amount of \$27,657 against the note balance. The Company had booked the \$50,000 as a prepaid legal expense and the prepaid balance of legal fees associated with this note is \$22,343 as of May 31, 2010. The entire balance of \$50,000 is payable as of November 30, 2010.

6% \$50,000 CONVERTIBLE DEBT DATED OCTOBER 5, 2009

On October 5, 2009, the Company issued to Xcel Associates, Inc. a note in the amount of \$50,000 in consideration for services rendered under an Investor Relation's Agreement entered into on the same date. The note was issued with a 6% interest rate and an 18-month term. The entire balance of \$50,000 is payable as of November 30, 2010.

\$24,000 CONVERTIBLE DEBT DATED AUGUST 15, 2010

On August 15, 2010, the Company issued to an individual a note in the amount of \$24,000 in consideration for services rendered under a Distribution Agreement entered into on the same date. The note was issued without interest and is due on demand. This note is convertible at a 40% discount to the average closing price of the three days prior to conversion with a maximum conversion price of \$0.30. The entire balance of \$24,000 is payable as of November 30, 2010.

\$45,000 CONVERTIBLE DEBT DATED SEPTEMBER 1, 2010

On September 1, 2010, the Company issued to an individual a note in the amount of \$45,000 in consideration for a contract to deliver services from September 2010 through August 2011. The note was issued without an interest rate and is due on demand. The note was issued without an interest rate and is due on demand. This note is convertible at a 40% discount to the average closing price of the three days prior to conversion with a maximum conversion price of \$0.02. The entire balance of \$45,000 is payable as of November 30, 2010.

\$1,909,238 CONVERTIBLE DEBTS UNDER VARIOUS WRAP AGREEMENTS

From December 10, 2008 through August 31, 2010, the Company entered into a series of convertible note agreements totaling \$1,909,238. These amounts were originally due to Scott Sand for accrued compensation, loans made directly to the Company, expenses paid on behalf of the Company and accrued interest on the amounts due to him. Mr. Sand and the Company entered into several "Wrap-Around Agreements" with unrelated third party investors. Under the terms of these agreements, Mr. Sand sold the debt owed to him to the investors for the face value of the note. Simultaneously, the Company modified the amounts formerly owed to Mr. Sand (now owed to the investors) to include a convertible feature allowing the investors to convert the note into common stock at a 50% discount of the average "three deep bid" on the day of conversion. The interest rate on the notes was also adjusted to 15%. As of August 31, 2010, the Company had reduced the balances of these notes to \$346,423 through the issuance of shares of common stock. From the proceeds received on the sale of his loans to the investors, Mr. Sand has loaned \$1,549,615 back to the Company as of November 30, 2010 and another \$13,200 was loaned subsequent to the end of the quarter.

Employment Agreement with Chief Executive Officer, Scott R. Sand – On September 21, 2006, we entered into an Employment Agreement with its President and Chief Executive Officer, Scott R. Sand. The term of the agreement is five years and calls for an annual salary of \$200,000. The company is also required to issue Mr. Sand 300,000 shares of its common stock in each year of the agreement.

As of February 28, 2011, we entered into a Settlement and Forbearance Agreement with a group of note holders who sued the Company in June of 2009. Under the terms of this Agreement, Ingen stipulated to a judgment in the amount of \$4.5 million. As of February 28, 2011, Ingen owed \$1,924,522 of this judgment. We are currently in default under this agreement.

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On August 7, 2007, we issued to an individual a note in the amount of \$315,000 in consideration for services rendered under an agreement entered into on the same date. The note was issued with a 6% interest rate and a one-year term. As of November 30, 2010, we owed the note holder \$205,000 of this original note balance (this amount was previously reduced to \$105,000 as a result of stock conversions, however, \$100,000 of those conversions were cancelled in the quarter ended November 30, 2010).

6% \$50,000 CONVERTIBLE DEBT DATED MAY 1, 2009

On May 1, 2009, the Company issued to Xcel Associates, Inc. a note in the amount of \$50,000 in consideration for services rendered under an Investor Relation's Agreement entered into on the same date. The note was issued with a 6% interest rate and an 18-month term. This note balance was reduced to \$20,000 through the issuance of common stock.

\$36,000 CONVERTIBLE DEBT DATED SEPTEMBER 1, 2009

On September 1, 2009, the Company issued to an individual a note in the amount of \$36,000 in consideration for a contract to deliver services from September 2009 through August 2010. The note was issued without an interest rate and is due on demand. The note was issued without an interest rate and is due on demand. This note is convertible at a 40% discount to the average closing price of the three days prior to conversion with a maximum conversion price of \$0.02. The entire balance of \$36,000 was settled through the issuance of common stock in the quarter ended February 28, 2011.

\$45,000 CONVERTIBLE DEBT DATED SEPTEMBER 1, 2009

On September 1, 2009, the Company issued to an individual a note in the amount of \$45,000 in consideration for a contract to deliver services from September 2009 through August 2010. The note was issued without an interest rate and is due on demand. The note was issued without an interest rate and is due on demand. This note is convertible at a 40% discount to the average closing price of the three days prior to conversion with a maximum conversion price of \$0.02. The entire balance of \$36,000 was settled through the issuance of common stock in the quarter ended February 28, 2011.

\$48,000 CONVERTIBLE DEBT DATED SEPTEMBER 1, 2009 (Entered into with the father of the Company's former CEO and Chairman)

On September 1, 2009, the Company issued to Robert Sand, the father of its CEO and Chairman, a note in the amount of \$45,000 in consideration for a contract to deliver services from September 2009 through August 2010. The note was issued without an interest rate and is due on demand. This note is convertible at a 50% discount to the average closing price of the three days prior to conversion with a maximum conversion price of \$0.02. The entire balance of \$48,000 is payable as of February 28, 2011.

\$300,000 CONVERTIBLE DEBT DATED SEPTEMBER 1, 2009

On September 1, 2009, the Company issued to MedOx Corporation, Inc. a note in the amount of \$300,000 in consideration for a contract to deliver services from September 2009 through February 2010. The note was issued without an interest rate and is due on demand. This note is convertible at a 40% discount to the average closing price of the three days prior to conversion with a maximum conversion price of \$0.02. The entire balance of \$300,000 is payable as of February 28, 2011.

\$50,000 CONVERTIBLE DEBT DATED DECEMBER 2, 2009

On December 2, 2009, the Company issued to an individual a note in the amount of \$50,000 in consideration for legal retainer. The note was issued without an interest rate and is due on demand. The note was issued without an interest rate and is due on demand. This note is convertible at a 40% discount to the average closing price of the three days prior to conversion with a maximum conversion price of \$0.02. The note holder had applied fees in the amount of \$27,657 against the note balance. The Company had booked the \$50,000 as a prepaid legal expense and the prepaid balance of legal fees associated with this note is \$15,818 as of February 28, 2011. The note holder converted \$34,183 of this note into common stock during the quarter. The remaining balance of this note was \$15,817 as of February 28, 2011.

6% \$50,000 CONVERTIBLE DEBT DATED OCTOBER 5, 2009

On October 5, 2009, the Company issued to Xcel Associates, Inc. a note in the amount of \$50,000 in consideration for services rendered under an Investor Relation's Agreement entered into on the same date. The note was issued with a 6% interest rate and an 18-month term. The entire balance of \$50,000 is payable as of February 28, 2011.

\$24,000 CONVERTIBLE DEBT DATED AUGUST 15, 2010

On August 15, 2010, the Company issued to an individual a note in the amount of \$24,000 in consideration for services rendered under a Distribution Agreement entered into on the same date. The note was issued without interest and is due on demand. This note is convertible at a 40% discount to the average closing price of the three days prior to conversion with a maximum conversion price of \$0.30. The entire balance of \$24,000 is payable as of February 28, 2011.

\$45,000 CONVERTIBLE DEBT DATED SEPTEMBER 1, 2010

On September 1, 2010, the Company issued to an individual a note in the amount of \$45,000 in consideration for a contract to deliver services from September 2010 through August 2011. The note was issued without an interest rate and is due on demand. The note was issued without an interest rate and is due on demand. This note is convertible at a 40% discount to the average closing price of the three days prior to conversion with a maximum conversion price of \$0.02. The entire balance of \$45,000 is payable as of February 28, 2011.

6% \$49,000 CONVERTIBLE DEBT DATED JANUARY 1, 2011

On January 1, 2011, the Company issued to Gary Tilden (who was appointed as our Chief Operations Officer on February 4, 2011 and our Chairman and Corporate Secretary on February 14, 2011) a note in the amount of \$49,000 in consideration for serving as a consultant for the Company. The note was

issued with a 6% interest rate and is payable on demand. The note is convertible at 50% of the average closing bid price on the three days prior to conversion (with a maximum conversion price of \$0.02 per share). The entire balance of \$49,000 is payable as of February 28, 2011.

6% \$50,000 CONVERTIBLE DEBT DATED FEBRUARY 14, 2011

On February 14, 2011, the Company issued to Thomas Neavitt a note in the amount of \$50,000 in consideration for serving as interim Chief Executive Officer for a 90-day period. The note was issued with a 6% interest rate and is payable on demand. The note is convertible at the average closing bid price on the three days prior to conversion. The entire balance of \$50,000 is payable as of February 28, 2011.

\$1,969,238 CONVERTIBLE DEBTS UNDER VARIOUS WRAP AGREEMENTS

From December 10, 2008 through February 28, 2011, the Company entered into a series of convertible note agreements totaling \$1,969,238. These amounts were originally due to Scott Sand for accrued compensation, loans made directly to the Company, expenses paid on behalf of the Company and accrued interest on the amounts due to him. Mr. Sand and the Company entered into several "Wrap-Around Agreements" with unrelated third party investors. Under the terms of these agreements, Mr. Sand sold the debt owed to him to the investors for the face value of the note. Simultaneously, the Company modified the amounts formerly owed to Mr. Sand (now owed to the investors) to include a convertible feature allowing the investors to convert the note into common stock at a 50% discount of the average "three deep bid" on the day of conversion. The interest rate on the notes was also adjusted to 15%. As of February 28, 2011, the Company had reduced the balances of these notes to \$376,423 through the issuance of shares of common stock. From the proceeds received on the sale of his loans to the investors, Mr. Sand has loaned \$1,592,815 back to the Company as of November 30, 2010 and another \$13,200 was loaned subsequent to the end of the quarter.

Employment Agreement with former Chief Executive Officer, Scott R. Sand – On September 21, 2006, the Company entered into an Employment Agreement with its President and Chief Executive Officer, Scott R. Sand. The term of the agreement is five years and calls for an annual salary of \$200,000. The company is also required to issue Mr. Sand 300,000 shares of its common stock in each year of the agreement. The September 31, 2006 agreement was cancelled when Mr. Sand resigned his position. He entered a new agreement with the Company on February 14, 2011 to serve as President of the Company's subsidiary (Ingen Technologies, Inc. (Nevada)). Under the terms of this new contract, Mr. Sand is to be paid an annual salary of \$200,000 for a five-year period. On April 22, 2011 this agreement was terminated.

Employment Agreement with interim Chief Executive Officer, Thomas Neavitt – On February 14, 2011, the Company entered into an agreement with Thomas Neavitt to serve as interim CEO for a 90-day term. As consideration for his services, the Company issued a convertible note in the amount of \$50,000. The note is convertible into common stock at the average bid price on the three days prior to conversion. The note is payable on demand and has a stated interest rate of 6% per annum.

Employment Agreement with Chief Operations Officer, Gary Tilden – On January 1, 2011, the Company entered into an agreement with Gary Tilden to pay him \$3,000 per month for a two-year period to act as a consultant to the Company. The Company also issued 1,000,000 shares of Series A convertible preferred stock to Mr. Tilden and issued a convertible note in the amount of \$49,000. The note is convertible into common stock at 50% of the average bid price on the three days prior to conversion. The note is payable on demand and has a stated interest rate of 6% per annum. On February 4, 2011, the Company appointed Mr. Tilden Chief Operations Officer and on February 14, 2011 he was elected to serve as Chairman and Secretary of the Company.

DERIVATIVE LIABILITIES

DERIVATIVE LIABILITY ASSOCIATED WITH THE 6% \$1.5 MILLION CONVERTIBLE DEBT DATED JULY 25, 2006

As of May 31, 2009, the total derivative liability associated with the \$1.5 million convertible notes was equal to \$2,953,353. Upon the stipulation to a judgment in response to the filing of a lawsuit against the Company as described above, this amount was recognized as income in the fiscal year ended May 31, 2010.

DERIVATIVE LIABILITY ASSOCIATED WITH THE WARRANTS ISSUED IN CONNECTION WITH THE \$1.5 MILLION CONVERTIBLE DEBT DATED JULY 25, 2006

The Company also granted warrants to purchase 20,000,000 shares of common stock in connection with the financing. The warrants are exercisable at \$0.10 per share for a period of seven years, and were fully vested. Upon the effectuation of the reverse stock split on August 27, 2008, these warrants have been adjusted to purchase 33,334 shares of common stock at a price of \$60.00 per share. Upon the effectuation of the reverse stock split on March 18, 2009, these warrants have been adjusted to purchase 12 shares of common stock at a price of \$180,000 per share. The warrants were cancelled as part of a Settlement Agreement on July 31, 2009. The warrants were originally valued at \$1,987,103 using the Black-Scholes Option Pricing Model with the following weighted-average assumptions used. Due to the reverse stock splits, the warrants were deemed worthless as of May 31, 2009.

DERIVATIVE LIABILITY ASSOCIATED WITH THE 6% \$450,000 CONVERTIBLE DEBT DATED MARCH 15, 2007

The derivative liability associated with the \$450,000 convertible notes was equal to \$1,069,916 as of May 31, 2009. Upon the stipulation to a judgment in response to the filing of a lawsuit against the Company as described above, this amount was recognized as income in the fiscal year ended May 31, 2010.

DERIVATIVE LIABILITY ASSOCIATED WITH WARRANTS ISSUED IN CONNECTION WITH THE 6% \$450,000 MILLION CONVERTIBLE DEBT DATED MARCH 15, 2007

The Company also granted warrants to purchase 9,000,000 shares of common stock in connection with the financing. The warrants were exercisable at \$0.06 per share for a period of seven years, and were fully vested. Upon the effectuation of the reverse stock split on August 27, 2008, these warrants have been adjusted to purchase 15,000 shares of common stock at a price of \$36.00 per share. Upon the effectuation of the reverse stock split on March 18, 2009, these warrants have been adjusted to purchase 5 shares of common stock at a price of \$108,000 per share. The warrants were cancelled as part of a Settlement Agreement on July 31, 2009. The warrants were originally valued at \$443,468 using the Black-Scholes Option Pricing Model. Due to the reverse stock splits, the warrants were deemed worthless as of May 31, 2009.

DERIVATIVE LIABILITY ASSOCIATED WITH THE 6% \$110,000 CONVERTIBLE DEBT DATED JULY 15, 2007

The derivative liability associated with the \$110,000 convertible note was equal to \$261,535 as of May 31, 2009. Upon the stipulation to a judgment in response to the filing of a lawsuit against the Company as described above, this amount was recognized as income in the fiscal year ended May 31, 2010.

DERIVATIVE LIABILITY ASSOCIATED WITH THE 6% \$225,000 CONVERTIBLE DEBT DATED JUNE 1, 2004

The following tables describe the valuation of the conversion feature of the \$225,000 6% convertible debenture entered into on June 1, 2004, using the Black Scholes pricing model on the date of the note:

	<u>6/1/2004</u>
Approximate risk-free rate	3.86%
Average Expected life	4 years
Dividend yield	0%
Volatility	292.58%
Estimated fair value of conversion feature	
on date of note issuance	\$ 448,997
Estimated fair value of conversion feature	
as of May 31, 2008	\$ 225,075
Estimated fair value of conversion feature	
as of May 31, 2009	\$ 148,247

The Company recorded the fair value of the conversion feature of \$448,997, as a discount to the convertible debt in the accompanying balance sheet up to the proceeds received with the excess of \$223,997 charged to expense. For the year ended May 31, 2009, the Company has reported \$76,828 in other income related to changes in its derivative liability associated with this note. The note was retired through the issuance of common stock in the fiscal year ended May 31, 2010 and the remaining derivative liability associated with this note of \$148,247 was recognized as other income in the current year.

DERIVATIVE LIABILITY ASSOCIATED WITH THE 6% \$200,000 CONVERTIBLE DEBT DATED MARCH 15, 2007

The derivative liability associated with the \$200,000 convertible note was equal to \$201,697 as of May 31, 2009. Upon the stipulation to a judgment in response to the filing of a lawsuit against the Company as described above, this amount was recognized as income in the fiscal year ended May 31, 2010.

DERIVATIVE LIABILITY ASSOCIATED WITH THE 6% \$50,000 CONVERTIBLE DEBT DATED SEPTEMBER 4, 2005

The following tables describe the valuation of the conversion feature of the \$50,000 6% convertible debenture entered into on September 4, 2005, using the Black Scholes pricing model on the date of the note:

	<u>9/4/2005</u>
Approximate risk-free rate	5.05%
Average Expected life	1 year
Dividend yield	0%
Volatility	255.27%
Estimated fair value of conversion feature	

on date of note issuance	\$	86,437
Estimated fair value of conversion feature		
as of May 31, 2008	\$	54,731
Estimated fair value of conversion feature		
as of May 31, 2009	\$	8,477

The Company recorded the fair value of the conversion feature of \$86,437, as a discount to the convertible debt in the accompanying balance sheet up to the proceeds received with the excess of \$36,437 charged to expense. For the year ended May 31, 2009, the Company has reported \$46,254 in other income related to changes in its derivative liability associated with this note. The note was retired through the issuance of common stock in the fiscal year ended May 31, 2010 and the remaining derivative liability associated with this note of \$8,477 was recognized as other income in the current year.

DERIVATIVE LIABILITY ASSOCIATED WITH THE 6% \$50,000 CONVERTIBLE DEBT DATED JANUARY 1, 2007

The following tables describe the valuation of the conversion feature of the \$50,000 6% convertible debenture entered into on January 1, 2007, using the Black Scholes pricing model on the date of the note:

	<u>1/1/2007</u>
Approximate risk-free rate	4.93%
Average Expected life	2 years
Dividend yield	0%
Volatility	138.21%
Estimated fair value of conversion feature	
on date of note issuance	\$ 78,809
Estimated fair value of conversion feature	
as of May 31, 2008	\$ 72,350
Estimated fair value of conversion feature	
as of May 31, 2009	\$ 50,424

The Company recorded the fair value of the conversion feature of \$78,809, as a discount to the convertible debt in the accompanying balance sheet up to the proceeds received with the excess of \$38,809 charged to expense. Amortization expense related to the conversion feature discount for the year ended May 31, 2009 was \$14,583. Remaining unamortized discount as of that date was none. For the year ended May 31, 2009, the Company has reported \$21,926 in other income related to changes in its derivative liability associated with this note. The note was retired through the issuance of common stock in the fiscal year ended May 31, 2010 and the remaining derivative liability associated with this note of \$50,242 was recognized as other income in the current year.

DERIVATIVE LIABILITY ASSOCIATED WITH THE 6% \$50,000 CONVERTIBLE DEBT DATED MAY 15, 2007

The following tables describe the valuation of the conversion feature of the \$50,000 6% convertible debenture entered into on May 15, 2007, using the Black Scholes pricing model on the date of the note:

	<u>5/15/2007</u>
Approximate risk-free rate	4.93%
Average Expected life	2 years
Dividend yield	0%
Volatility	220.45%
Estimated fair value of conversion feature	
on date of note issuance	\$ 92,158
Estimated fair value of conversion feature	
as of May 31, 2008	\$ 81,718

Estimated fair value of conversion feature
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as of May 31, 2009	\$ 50,424
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The Company recorded the fair value of the conversion feature of \$92,158, as a discount to the convertible debt in the accompanying balance sheet up to the proceeds received with the excess of \$42,158 charged to expense. Amortization expense related to the conversion feature discount for the year ended May 31, 2009 was \$23,958. Remaining unamortized discount as of May 31, 2009 was none. For the year ended May 31, 2009, the Company has reported \$31,294 in other income related to changes in its derivative liability associated with this note. The note was retired through the issuance of common stock in the fiscal year ended May 31, 2010 and the remaining derivative liability associated with this note of \$50,242 was recognized as other income in the current year.

DERIVATIVE LIABILITY ASSOCIATED WITH THE 6% \$50,000 CONVERTIBLE DEBT DATED FEBRUARY 19, 2006

The following tables describe the valuation of the conversion feature of the \$50,000 6% convertible debenture entered into on February 19, 2006, using the Black Scholes pricing model on the date of the note:

	<u>2/19/2006</u>
Approximate risk-free rate	4.57%
Average Expected life	2 years
Dividend yield	0%
Volatility	302.50%
Estimated fair value of conversion feature	
on date of note issuance	\$ 97,837
Estimated fair value of conversion feature	
as of May 31, 2008	\$ 50,017
Estimated fair value of conversion feature	
as of May 31, 2009	\$ 22,111

The Company recorded the fair value of the conversion feature of \$97,837, as a discount to the convertible debt in the accompanying balance sheet up to the proceeds received with the excess of \$47,837 charged to expense. Amortization expense related to the conversion feature discount for the years ended May 31, 2009 and May 31, 2010 was none. Remaining unamortized discount as of those dates was none. For the year ended May 31, 2009, the Company has reported \$27,906 in other income related to changes in its derivative liability associated with this note. The note was retired through the issuance of common stock in the fiscal year ended May 31, 2010 and the remaining derivative liability associated with this note of \$22,111 was recognized as other income in the current year.

DERIVATIVE LIABILITY ASSOCIATED WITH THE 6% \$315,000 CONVERTIBLE DEBT DATED AUGUST 8, 2007

The following tables describe the valuation of the conversion feature of the \$315,000 6% convertible debenture entered into on August 8, 2007, using the Black Scholes pricing model on the date of the note:

	<u>8/8/2007</u>
Approximate risk-free rate	2.18%
Average Expected life	1 year
Dividend yield	0%
Volatility	234.82%
Estimated fair value of conversion feature	
on date of note issuance	\$ 526,881
Estimated fair value of conversion feature	
as of May 31, 2009	\$ 317,673
Estimated fair value of conversion feature	
as of May 31, 2010	\$ 146,052

The Company recorded the fair value of the conversion feature of \$526,881, as a discount to the convertible debt in the accompanying balance sheet up to the proceeds received with the excess of \$211,881 charged to expense. Amortization expense related to the conversion feature discount for the year ended May 31, 2009 was \$59,548. Remaining unamortized discount as of May 31, 2009 was none. For the years ended May 31, 2009 and May 31, 2010, the Company has reported \$78,803 and \$171,621 in other income, respectively, related to changes in its derivative liability associated with this note.

DERIVATIVE LIABILITY ASSOCIATED WITH THE 6% \$30,000 CONVERTIBLE DEBT DATED JUNE 17, 2008

The following tables describe the valuation of the conversion feature of the \$30,000 6% convertible debenture entered into on June 17, 2008, using the Black Scholes pricing model on the date of the note:

	<u>6/17/2008</u>
Approximate risk-free rate	0.90%
Average Expected life	1 year
Dividend yield	0%
Volatility	241.53%
Estimated fair value of conversion feature	
on date of note issuance	\$ 50,639
Estimated fair value of conversion feature	
as of May 31, 2009	\$ 46,578

The Company recorded the fair value of the conversion feature of \$50,639, as a discount to the convertible debt in the accompanying balance sheet up to the proceeds received with the excess of \$30,639 charged to expense. Amortization expense related to the conversion feature discount for the year ended May 31, 2009 was \$28,602. Remaining unamortized discount as of that date was \$1,398. The remaining discount was amortized in the year ended May 31, 2010. For the year ended May 31, 2009, the Company has reported \$3,799 in other income related to changes in its derivative liability associated with this note. The note was retired through the issuance of common stock in the fiscal year ended May 31, 2010 and the remaining derivative liability associated with this note of \$46,578 was recognized as other income in the current year.

DERIVATIVE LIABILITY ASSOCIATED WITH THE 6% \$45,000 CONVERTIBLE DEBT DATED SEPTEMBER 1, 2008 (Entered into with the father of the Company's CEO and Chairman)

The following tables describe the valuation of the conversion feature of the \$45,000 6% convertible debenture entered into on September 1, 2008 with the father of the Company's CEO and Chairman, using the Black Scholes pricing model on the date of the note:

	<u>9/1/2008</u>
Approximate risk-free rate	0.90%
Average Expected life	1 year
Dividend yield	0%
Volatility	274.26%
Estimated fair value of conversion feature	
on date of note issuance	\$ 79,507
Estimated fair value of conversion feature	
as of May 31, 2009	\$ 69,867

The Company recorded the fair value of the conversion feature of \$79,507, as a discount to the convertible debt in the accompanying balance sheet up to the proceeds received with the excess of \$34,507 charged to expense. Amortization expense related to the conversion feature discount for the year ended May 31, 2009 was \$33,658. Remaining unamortized discount as of that date was \$11,342. The remaining discount was amortized in the year ended May 31, 2010. For the year ended May 31, 2009, the Company has reported \$9,640 in other income related to changes in its derivative liability associated with this note. The note was retired through the issuance of common stock in the fiscal year ended May 31, 2010 and the remaining derivative liability associated with this note of \$69,867 was recognized as other income in the current year.

DERIVATIVE LIABILITY ASSOCIATED WITH THE 6% \$225,000 CONVERTIBLE DEBT DATED SEPTEMBER 1, 2008

The following tables describe the valuation of the conversion feature of the \$225,000 6% convertible debenture entered into on September 1, 2008, using the Black Scholes pricing model on the date of the note:

	<u>9/1/2008</u>
Approximate risk-free rate	0.90%
Average Expected life	1 year
Dividend yield	0%
Volatility	274.26%
Estimated fair value of conversion feature	
on date of note issuance	\$ 379,795
Estimated fair value of conversion feature	
as of May 31, 2009	\$ 349,337

The Company recorded the fair value of the conversion feature of \$379,795, as a discount to the convertible debt in the accompanying balance sheet up to the proceeds received with the excess of \$154,795 charged to expense. Amortization expense related to the conversion feature discount for the year ended May 31, 2009 was \$168,288. Remaining unamortized discount as of that date was \$56,712. The remaining discount was amortized in the year ended May 31, 2010. For the year ended May 31, 2009, the Company has reported \$30,458 in other income related to changes in its derivative liability associated with this note. The note was retired through the issuance of common stock in the fiscal year ended May 31, 2010 and the remaining derivative liability associated with this note of \$349,337 was recognized as other income in the current year.

DERIVATIVE LIABILITY ASSOCIATED WITH THE \$300,000 CONVERTIBLE DEBT DATED SEPTEMBER 1, 2009

The following tables describe the valuation of the conversion feature of the \$300,000 non-interest bearing convertible debenture entered into on September 1, 2009, using the Black Scholes pricing model on the date of the note:

	<u>9/1/2009</u>
Approximate risk-free rate	0.43%
Average Expected life	1 year
Dividend yield	0%
Volatility	368.48203%
Estimated fair value of conversion feature	
on date of note issuance	\$ 474,897
Estimated fair value of conversion feature	
as of May 31, 2010	\$ 315,328

The Company recorded the fair value of the conversion feature of \$474,897 as interest expense. No discount was recorded as the note is payable on demand. For the year ended May 31, 2010, the Company has reported \$159,568 in other income related to changes in its derivative liability associated with this note.

DERIVATIVE LIABILITY ASSOCIATED WITH THE \$48,000 CONVERTIBLE DEBT DATED SEPTEMBER 1, (Entered into with the father of the Company's CEO and Chairman)

The following tables describe the valuation of the conversion feature of the \$48,000 non-interest bearing convertible debenture entered into on September 1, 2009 with the father of the Company's CEO and Chairman, using the Black Scholes pricing model on the date of the note:

	<u>9/1/2009</u>
Approximate risk-free rate	0.43%
Average Expected life	1 year

Dividend yield	0%
Volatility	368.48203%
Estimated fair value of conversion feature	
on date of note issuance	\$ 75,984
Estimated fair value of conversion feature	
as of May 31, 2010	\$ 50,453

The Company recorded the fair value of the conversion feature of \$75,984 as interest expense. No discount was recorded as the note is payable on demand. For the year ended May 31, 2010, the Company has reported \$25,531 in other income related to changes in its derivative liability associated with this note.

DERIVATIVE LIABILITY ASSOCIATED WITH THE \$36,000 CONVERTIBLE DEBT DATED SEPTEMBER 1, 2009

The following tables describe the valuation of the conversion feature of the \$36,000 non-interest bearing convertible debenture entered into on September 1, 2009, using the Black Scholes pricing model on the date of the note:

	<u>9/1/2009</u>
Approximate risk-free rate	0.43%
Average Expected life	1 year
Dividend yield	0%
Volatility	368.48203%
Estimated fair value of conversion feature	
on date of note issuance	\$ 56,988
Estimated fair value of conversion feature	
as of May 31, 2010	\$ 37,839

The Company recorded the fair value of the conversion feature of \$56,988 as interest expense. No discount was recorded as the note is payable on demand. For the year ended May 31, 2010, the Company has reported \$19,148 in other income related to changes in its derivative liability associated with this note.

DERIVATIVE LIABILITY ASSOCIATED WITH THE 12% \$100,000 CONVERTIBLE DEBT DATED MARCH 2, 2010

The following tables describe the valuation of the conversion feature of the \$100,000 12% bearing convertible debenture entered into on March 2, 2010, using the Black Scholes pricing model on the date of the note:

	<u>3/2/2010</u>
Approximate risk-free rate	0.83%
Average Expected life	2 years
Dividend yield	0%
Volatility	179.96522%
Estimated fair value of conversion feature	
on date of note issuance	\$ 175,155
Estimated fair value of conversion feature	
as of May 31, 2010	\$ 142,637

The Company recorded the fair value of the conversion feature of \$175,155, as a discount to the convertible debt in the accompanying balance sheet up to the proceeds received with the excess of \$75,155 charged to expense. Amortization expense related to the conversion feature discount for the year ended May 31, 2010 was \$12,500. Remaining unamortized discount as of that date was \$87,500. For the year ended May 31, 2009, the Company has reported \$29,518 in other income related to changes in its derivative liability associated with this note.

DERIVATIVE LIABILITY ASSOCIATED WITH THE 12% \$100,000 CONVERTIBLE DEBT DATED February 22, 2011

The following tables describe the valuation of the conversion feature of the \$703,608 6% bearing convertible debenture entered into on February 22, 2011, using the Black Scholes pricing model on the date of the note:

	<u>2/22/2011</u>
Approximate risk-free rate	0.83%
Average Expected life	2 years
Dividend yield	0%
Volatility	179.96522%
Estimated fair value of conversion feature	
on date of note issuance	\$ 1,259,458
Estimated fair value of conversion feature	
as of February 27, 2012	\$ 1,142,637

DERIVATIVE LIABILITIES ASSOCIATED WITH THE DEBT WRAP AGREEMENTS

The following tables describe the valuation of the conversion feature of the four debt wrap agreements with a total original principal balance of \$300,000 that were entered into in the year ended May 31, 2009. As described in Note 10 below, these notes originated with an assignment of balances due to our CEO and President, Scott R. Sand. Upon the assignment of the note amounts to an unrelated third party investor, the Company enabled the investors to convert the note balances. The following table shows the valuation of the conversion features using the Black Scholes pricing model on the date of the note and as of May 31, 2009:

	<u>12/10/2008</u>	<u>1/13/2009</u>	<u>5/5/2009</u>	<u>5/28/2009</u>
Note amount	\$ 25,000	\$ 25,000	\$ 50,000	\$ 200,000
Approximate risk-free rate	0.90%	0.81%	0.49%	0.81%
Average Expected life	1 year	1 year	1 year	1 year
Dividend yield	0%	0%	0%	0%
Volatility	241.53%	274.26%	392.81%	392.81%
Estimated fair value of conversion feature				
on date of note issuance	\$ 42,199	\$ 44,171	\$ 50,244	\$ 200,938
Estimated fair value of conversion feature				
as of May 31, 2009	\$ -	\$ -	\$ -	\$ 200,938
Note balance as of May 31, 2009	\$ -	\$ -	\$ -	\$ 200,000

The Company recorded the fair value of the conversion features of \$337,552, as a discount to the convertible debts in the accompanying balance sheet up to the proceeds received with the excess of \$137,552 charged to expense. The discount was amortized over the life of the note, or written off upon the payment of the note. The first three notes totaling \$100,000 were paid in full during the fiscal year. Total amortization expense related to the conversion features discount for the year ended May 31, 2009 was \$101,644. Remaining unamortized discount as May 31, 2009 was \$198,356. Also upon the payment of the obligation, any remaining derivative liability associated with the note was recorded as income. For the year ended May 31, 2009, the Company has reported \$136,613 in other income related to changes in its derivative liabilities associated with these notes. In the fiscal year ended May 31, 2010, the Company paid the initial block of debt wrap agreements through the issuance of common stock and the remaining derivative liability of \$200,938 was recorded as other income.

The following tables describe the valuation of the conversion feature of the three debt wrap agreements with a total original principal balance of \$1,411,423 that were entered into in the year ended May 31, 2010. As described in Note 10 below, these notes originated with an assignment of balances due to our CEO and President, Scott R. Sand. Upon the assignment of the note amounts to unrelated third party investors, the Company enabled the investors to convert the note balances. The following table shows the valuation of the conversion features using the Black Scholes pricing model on the date of the note and as of May 31, 2010:

	<u>6/17/2009</u>	<u>9/1/2009</u>	<u>4/29/2010</u>
Note amount	\$ 565,000	\$ 796,423	\$ 50,000
Approximate risk-free rate	0.50%	0.43%	0.27%
Average Expected life	1 year	1 year	1 year
Dividend yield	0%	0%	0%
Volatility	3686.17060%	368.48203%	139.66365%
Estimated fair value of conversion feature			
on date of note issuance	\$ 1,083,763	\$ 1,520,270	\$ 52,926
Estimated fair value of conversion feature			
as of May 31, 2010	\$ -	\$ 364,123	\$ -
Note balance as of May 31, 2010	\$ -	\$ 346,423	\$ -

The Company recorded the fair value of the conversion features of \$2,656,959, as a discount to the convertible debts in the accompanying balance sheet up to the proceeds received with the excess of \$1,245,536 charged to expense. The discount was amortized over the life of the note, or written off upon the payment of the note. Two of the notes totaling \$615,000 were paid in full during the fiscal year. Total amortization expense related to the conversion features discount for the year ended May 31, 2010 was \$1,324,817. Remaining unamortized discount on the note with a remaining balance as May 31, 2010 was \$86,606. Also upon the payment of the obligation, any remaining derivative liability associated with the note was recorded as income. For the year ended May 31, 2010, the Company has reported \$2,292,836 in other income related to changes in its derivative liabilities associated with these notes.

Summary of Convertible Notes Payable and Derivative Liabilities

The following is a summary of the convertible notes payable and derivative liability as of May 31, 2010 and 2011:

	Conversion Value as of May 31, 2010	Change in Derivative Income in Year ended May 31, 2010	Conversion Value as of May 31, 2009	Change in Derivative Income in Year ended May 31, 2009	Unamortized Debt Discount as of 5/31/10
NIR Notes	\$ -	\$ (4,783,230)	\$ 4,783,230	\$ 714,263	\$ -
\$225,000 Note dated June 1, 2004	-	(148,247)	148,247	(76,828)	-
\$200,000 Note dated March 15, 2007	-	(201,697)	201,697	(108,935)	-
\$50,000 Note dated September 4, 2005	-	(8,477)	8,477	(46,254)	-
\$50,000 Note dated January 1, 2007	-	(50,424)	50,424	(21,926)	-
\$50,000 Note dated May 15, 2007	-	(50,424)	50,424	(31,294)	-
\$50,000 Note dated February 19, 2006	-	(22,111)	22,111	(27,906)	-
\$315,000 Note dated August 7, 2007	146,052	(171,621)	317,673	(78,803)	-
\$30,000 note dated June 17, 2008	-	(46,578)	46,578	(3,799)	-
\$45,000 note dated Sept 1, 2008	-	(69,867)	69,867	(9,640)	-
\$50,000 Note dated May 1, 2009	20,145	(75,680)	95,826	(738)	-
\$225,000 Note dated September 1, 2008	-	(349,336)	349,337	(30,458)	-
\$25,000 debt wrap note dated December 10, 2008	-	-	-	(42,199)	-
\$25,000 debt wrap note dated January 13, 2009	-	-	-	(44,170)	-
\$50,000 debt wrap note dated May 5, 2009	-	-	-	(50,244)	-

\$200,000 debt wrap note dated May 28, 2009	-	(200,938)	200,938	-	-
\$50,000 Note dated October 5, 2009	52,555	(42,446)			17,329
\$300,000 note dated September 1, 2009	315,328	(159,568)			-
\$48,000 note dated September 1, 2009	50,453	(25,531)			-
\$36,000 note dated September 1, 2009	37,839	(19,148)			-
\$50,000 note dated December 2, 2009	56,681	(33,015)			-
\$796,423 debt wrap note dated September 1, 2009	364,123	(1,156,147)			86,606
\$565,000 debt wrap note dated June 17, 2009		(1,083,763)			-
\$50,000 debt wrap note dated April 29, 2010		(52,926)			-
\$100,000 note dated March 2, 2010	142,637	(29,518)			87,500
July 2006 Warrants	-	-	-	(11,189)	-
March 2007 Warrants	-	-	-	(5,013)	-
June 2008 Warrants	-	-	-	(17,937)	-
	<u>\$ 1,185,813</u>	<u>\$ (8,780,694)</u>	<u>\$ 6,344,829</u>	<u>\$ 106,930</u>	<u>\$ 191,435</u>

Maturities of Notes Payable:

All notes payable on our balance sheet as of May 31, 2009 are current liabilities with the exception of one. The face value of these current liability notes (due by May 31, 2011) is \$995,423. The other note has a face value of \$100,000 and is due and payable in the fiscal year ended May 31, 2012.

NOTE 7 – EQUITY SECURITIES

Common Stock: On August 27, 2008, Ingen effectuated a reverse stock split at a rate of one share for every six hundred (600) then outstanding. The Series A Preferred stock was not affected by this reverse stock split. On March 18, 2009, Ingen effectuated another reverse stock split. This additional reverse split was at a rate of one share for every three thousand (3,000) then outstanding. The cumulative effect of these two reverse stock splits was a rate of one share for every 1,800,000. The Series A Preferred stock was not affected by these reverse stock splits. On April 12, 2010, our authorized shares of common stock were increased to 8 billion. On November 22, 2010, the Company effectuated another reverse stock split at a rate of one share for every one thousand (1,000). The cumulative effect of the reverse stock splits since August 2008 is a rate of one share for every 1.8 billion then outstanding.

Preferred Stock: Ingen has authorized 100,000,000 shares of Series A Convertible Preferred Stock. The Series A stock is not entitled to dividends. Ingen has the right but not the obligation to redeem each share of Series A stock at a price of \$1.00 per share. In the event of voluntary or involuntary liquidation, dissolution, or winding up of the corporation, each share of Series A shall be entitled to receive from the assets of the Company \$1.00 per share, which shall be paid or set apart before the payment or distribution of any assets of the corporation to the holders of the Common Stock or any other equity securities of the Company. Each share of Series A shall be entitled to vote on all matters with the holders of the Common Stock. Each share of Series A stock shall be entitled to ten votes. The holders of the Series A voting as a class shall be entitled to elect one person to serve on the Company's Board of Directors. The Series A is convertible into ten shares of fully paid and non-assessable share of Common Stock upon 65 days of written notice. The Series A stock shall not be affected by or subject to adjustment following any change to the amount of authorized shares of Common Stock or the amount of Common Stock issued and outstanding caused by any split or consolidation of the Company's Common Stock.

NOTE 8 - INCOME TAXES

Provision for income tax for the quarters ended February 28, 2012 and February 28, 2011 was zero.

As of February 28, 2011, the Company has net operating loss carry forwards, approximately, of \$29.9 million, to reduce future federal and state taxable income. To the extent not utilized, the carry forwards will begin to expire through 2028. The Company's ability to utilize its net operating loss carry forwards is uncertain and thus the Company has not booked a deferred tax asset, since future profits are indeterminable.

NOTE 9 - NET LOSS PER SHARE

The following table sets forth the computation of basic and diluted net loss per share:

	For the quarters ended February 28,		For the nine months ended February 28,	
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>
Numerator: Net loss	\$ 175,612	\$ (792,657)	\$ (2,178,487)	\$ (4,723,923)
Denominator:				
Weighted Average Number of Shares	11,956,916	3,187,761	8,439,657	2,245,723
Net loss per share - Basic and diluted	\$ 0.01	\$ (0.25)	\$ (0.26)	\$ (2.10)

As the Company incurred net losses for the quarters and nine months ended February 27, 2012 and February 28, 2011, it has excluded from the calculation of diluted net loss per shares representing the potential conversion of the Series A preferred stock and all convertible notes that could be converted at the market price as of February 27, 2012 and February 28, 2011.

NOTE 10 - RELATED PARTY TRANSACTIONS

On February 9, 2011, the Company issued 24,333,340 shares of common stock to Scott Sand, its former CEO and Chairman and current President of its wholly-owned subsidiary. This stock was issued as a conversion of 2,433,334 shares of Series A preferred stock (which is convertible at a rate of one share of preferred for 10 shares of common). The value of this stock was booked at \$243.33, as it was originally issued at a value of \$0.01 per share in January 2009. The Company had issued 50,000,000 shares of Series A preferred stock to Mr. Sand in January 2009 in cancellation of \$5,000 in debt owed to Mr. Sand at the time.

Ingen owed its former CEO and current President of its wholly-owned subsidiary, Scott Sand, a total of \$1,104,143 as of February 28, 2011. Of this amount, \$743,422 represents direct loans made to the company. This amount accrues interest at a rate of 6% per annum. The Company also owes Mr. Sand \$299,299 in accrued salary and \$61,422 in accrued interest on amounts due to him. The Company converted \$703,608 to a convertible note on February 22, 2011. As of February 27, 2012 the company owes Mr. Sand \$400,535 and \$299,299 respectively in principal loans for a total amount of \$699,834 and an additional accrued interest of \$103,412.

Mr. Sand and the Company entered into two new "Wrap-Around Agreements" unrelated third party investors in the quarter ended August 31, 2010. The total amount of these agreements was \$47,415. Under the terms of these agreements, Mr. Sand sold the debt owed to him to the entities for the face value of the notes. Simultaneously, the Company modified the notes formerly owed to Mr. Sand (now owed to the investors) to include a convertible feature allowing the investors to convert the notes into common stock at a 50% discount of the average "three deep bid" on the day of conversion. The interest rate on the notes was also adjusted to 15%. These notes were paid off through the issuance of common stock with a fair market value of \$70,892 in the quarter ended August 31, 2010. This resulted in the company taking an additional interest charge in the amount of \$23,077 (to the extent that the fair market value of the stock issued exceeded the face value of the notes). As of February 28, 2011, Mr. Sand had loaned back to the Company \$47,415 from the proceeds received on the sale of these notes.

In the quarter ended February 28, 2011, Mr. Sand and the Company entered into one new "Wrap-Around Agreement" unrelated third party investor. The total amount of this agreement was \$60,000. Under the terms of this agreement, Mr. Sand sold the debt owed to him to the investor for the face value of the note. Simultaneously, the Company modified the notes formerly owed to Mr. Sand (now owed to the investors) to include a convertible feature allowing the investors to convert the notes into common stock at a 50% discount of the average "three deep bid" on the day of conversion. The interest rate on the note was also adjusted to 15%. Half of this note was paid off through the issuance of common stock with a fair market value of \$71,333 in the quarter ended February 28, 2011. This resulted in the company taking an additional interest charge in the amount of \$41,333 (to the extent that the fair market value of the stock issued exceeded the face value of the notes). As of February 28, 2011, Mr. Sand had loaned back to the Company \$30,000 from the proceeds received on the sale of these notes. As of February 28, 2011, the remaining balance on this note was \$30,000.

The Company entered into an agreement on January 1, 2011 with Gary Tilden regarding his services with ISO Certification compliance and also with manufacturing the company's products. In consideration of the Contractor furnishing the expertise, knowledge and other resources in providing said services the Company agrees to pay the Contractor an annual salary of \$85,000.00 as follows: i) \$3,000.00 per month in cash. (\$1500 on the 1st and 15th of each month) and ii) \$49,000.00 in a convertible note. The note maturity date is 12 months from the execution date of this agreement. See attached convertible note. The Contractor will also receive 1,000,000 shares of Preferred Series A Stock at the signing of this agreement.

On February 4, 2011, the Company appointed Mr. Tilden as Chief Operations Officer. On February 14, 2011 he was elected Chairman. On January 1, 2011, the Company had entered into an agreement with Mr. Tilden paying him an annual salary of \$85,000 for a 2-year period to act as a consultant to the Company. The payment of this contract is to be paid as \$3,000 per month in cash, push a \$49,000 convertible note. The note bears a 6% interest rate, is payable on demand and is convertible at a 50% discount to the average bid price of the Company's common stock on the three days prior to conversion

(with a maximum conversion price of \$0.02 per share). The Company also issued him 1,000,000 shares of Series A preferred stock which was valued at \$1,000.

On February 14, 2011, the Company entered into an agreement with Thomas Neavitt to serve as interim CEO for a 90-day term. As consideration for his services, the Company issued a convertible note in the amount of \$50,000. The note is convertible into common stock at the average bid price on the three days prior to conversion. The note is payable on demand and has a stated interest rate of 6% per annum.

On September 7, 2011 the SEC had dismissed all monetary claims against Scott Sand, former CEO and Chairman of the Board; including any civil penalties and disgorgement. The Plaintiff (SEC) Notice of Voluntary Dismissal Case 1:10-cv-23602-PAS was filed in the United States District Court, Southern District of Florida on September 7, 2011.

NOTE 11 – PATENT COSTS

The Company has incurred \$67,345 of legal costs of filing for patents and the purchase of the exclusive rights for a patent for Oxyview with common stock valued at \$60,000. Although the patents are still pending with the US Patent and Trademark office, since the Company is using the patents and selling its Oxyview units. After an impairment analysis was conducted this cost was written off in the fiscal year ended May 31, 2007.

NOTE 12 - GUARANTEES

The Company from time to time enters into certain types of contracts that contingently require the Company to indemnify parties against third-party claims. These contracts primarily relate to: (i) divestiture agreements, under which the Company may provide customary indemnifications to purchasers of the Company's businesses or assets; and (ii) certain agreements with the Company's officers, directors and employees, under which the Company may be required to indemnify such persons for liabilities arising out of their employment relationship.

The terms of such obligations vary. Generally, a maximum obligation is not explicitly stated. Because the obligated amounts of these types of agreements often are not explicitly stated, the overall maximum amount of the obligation cannot be reasonably estimated. Historically, the Company has not been obligated to make significant payments for these obligations, and no liabilities have been recorded for these obligations on its balance sheet as of February 27, 2012.

NOTE 13 - STOCK OPTIONS

On January 18, 2007, Ingen issued a stock option to a consultant, representing the right to purchase 1,000,000 shares of Series A Convertible Preferred Stock at an exercise price of \$0.04 per share, expiring January 18, 2012. In May 2010, the option agreement was amended and 70,000,000 shares of common stock were issued in full consideration for cancellation of the options.

NOTE 14 - WARRANTS

We issued a total of 29 million warrants to purchase our common stock in connection with the issuance of the Convertible Notes Payable described in Note 13 above. The 20 million warrants issued as part of the Securities Purchase Agreement dated July 26, 2006 are exercisable over a 7-year period (ending on July 26, 2013) at a price of \$0.10 per share. The 9 million warrants issued as part of the Securities Purchase Agreement dated March 15, 2007 are exercisable over a 7-year period (ending on March 15, 2014) at a price of \$0.06 per share. In connection with our Settlement Agreement with these note holders, all warrants were cancelled on July 31, 2009.

NOTE 15 – LEGAL ISSUES

Ingen Technologies, Inc., a Georgia corporation (the "Company") and its CEO, Scott Sand were named as defendants in an enforcement action filed the Securities and Exchange Commission. The Complaint was filed on October 7, 2010 in the Southern District of Florida. Case Number 1:10-cv-23602-PAS styled Securities and Exchange Commission vs. Scott R. Sand and Ingen Technologies, Inc. On January 31, 2011, a Judgment of Permanent Injunction and Other Relief as to Defendant Ingen Technologies, Inc. was signed. The Judgment permanently enjoins the Company from violating Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated there under. The judgment also provides for disgorgement and a civil penalty, the amounts of which are to be determined once the SEC filed a motion. The SEC imposed a \$25,000 fine against the company.

On February 14, 2011, Accelerize New Media Inc. filed an entry of default in the Superior Court of California, County of Orange: Case no. 30-2011-00449357-CU-BC-CJC for an amount of \$29,039.56 that include \$24,000 for past due services and \$5,039 in legal fees and costs to file the complaint. The company is currently negotiating a payment plan with Mr. Brooks, the legal counsel for the plaintiff.

On May 13, 2011 Summons Case no. 024632/2011 filed in New York, New York in the amount of \$18,000.00 regarding Media Planet Publishing House Inc. for advertising services.

On May 20, 2011 Civil Judgment Case no. 1106674 filed in San Bernardino County Civil Court, California in the amount of \$2,235,158.74 regarding AJW Partners LLC, et., al., note holders. Ingen is in default of the Forbearance Agreements with these note holders.

On June 1, 2011 the company received a demand notice from the Guerrini Law Firm regarding collections of \$6,000 owed to 1105 Media Inc.

On July 7, 2011 the company received a demand notice from the law office of Thomas M. Buchenau regarding collections of \$2,377 owed to Preferred Employers Insurance.

On September 7, 2011 the SEC had dismissed all monetary claims against Scott Sand, former CEO and Chairman of the Board; including any civil penalties and disgorgement. The Plaintiff (SEC) Notice of Voluntary Dismissal Case 1:10-cv-23602-PAS was filed in the United States District Court, Southern District of Florida on September 7, 2011.

On September 22, 2011, Preferred Western Collection Inc. filed a Summons/Complaint against Ingen in the Superior Court of California, County of San Bernardino: Case no. CIVDS1111100 for an amount of \$5,000 for past due services owed of \$2,377 for employee insurance fees.

NOTE 16 – SUBSEQUENT EVENTS

On June 23, 2011, the Company issued 1,333,334 common shares to a third party consultant pursuant to certain terms and conditions of a media contract. The conversion was valued at \$13,333 (\$.01 per share) which represents the discount to market price on that date.

On July 1, 2011, the Company issued 500,000 Preferred Series A Stock to a third party consultant pursuant to certain terms and conditions of a marketing agreement. The conversion was valued at \$5,000 (\$.01 per share) which represents the Par Value.

On July 22, 2011, the Company converted 500,000 shares of Series A Preferred stock to 5,000,000 common shares to an accredited investor. The conversion was valued at \$50,000.00 which represents the value of the preferred stock on the Company's books (the original stock issuance was valued at \$0.01 per share).

On September 7, 2011 the SEC had dismissed all monetary claims against Scott Sand, former CEO and Chairman of the Board; including any civil penalties and disgorgement. The Plaintiff (SEC) Notice of Voluntary Dismissal Case 1:10-cv-23602-PAS was filed in the United States District Court, Southern District of Florida on September 7, 2011.

On April 5, 2012 the company issued 5,006,441 Common Shares to a third party investor as part of a conversion request and convertible note in the amount of \$60,000 dated June 11, 2010. The Stock is issued based on a per share price \$0.00175 which shall equal 5,006,441 shares at \$8,761,27 PRINCIPAL AMOUNT.

ITEM IV - MANAGEMENT'S DISCUSSION OF RESULTS OF OPERATIONS

We reported gross sales of \$10,037 in the quarter ended February 27, 2012. Our total sales decreased from sales of \$19,338 in the quarter ended February 28, 2011. Our sales in the current quarter were affected by both the economic instability in the medical market, change of officers/directors, and SEC civil actions brought upon the company. These sales accounted for 85.5% of our current quarter sales.

We reported cost of sales of \$ 806 in the quarter ended February 27, 2012 with a gross profit of \$ 649 (a gross margin of 20%). Our gross profit decreased from \$ 5,327 in the quarter February 28, 2011. Our cost of sales was \$14,011 in the quarter ended February 28, 2011 and our gross margin was 62%. Our gross profit percentage dropped dramatically as a result of fewer sales and sales that were done at a price point lower than our retail price.

Our selling, general and administrative expenses ("SG&A") were \$12,653 in the quarter ended February 27, 2012. This was a decrease of approximately 95% from the selling, general and administrative expenses of \$212,775 reported in the quarter ended February 28, 2011. The decrease was attributable to the elimination of several employees and an overall reduction in expenditures that were required due to lack of working capital.

We reported interest expense of \$335,089 in our quarter ended February 28, 2011. Our interest expense in the quarter ended February 27, 2012 was \$302,866. This represents a decrease in interest expense of 10%. This decrease is a primarily due to the accounting treatment of the convertible feature of the notes payable and the treatment of the stock issuances made on to make payments on our convertible debentures. This treatment made up the vast majority of our interest expense in the quarter ended February 28, 2011.

We reported income due to the change in our derivative liability in the amount of \$718,149 in the quarter ended February 28, 2011, compared to income of \$857,435 in the quarter ended February 28, 2012. This income was generated as a result of the company's treatment of certain convertible notes payable and warrants. This calculation is a function of the company's stock price and its volatility. Additionally, as notes are paid off (or converted into stock), the derivative liability associated with the notes is charged off as other income. The Company retired some convertible notes in the quarters ended February 28, 2011 and 2012. This created a large income charge due to the change in the derivative liability. In the current quarter, our stock price dropped which also reduced the conversion value of our convertible debentures and added to this income item.

We have not generated net profit to date and therefore have not paid any federal income taxes since inception. We did not pay any franchise taxes to the state of California or the state of Georgia in the quarter ended February 27, 2011 or 2012. We estimate that our federal tax net operating loss carry forward will be approximately \$25 million as of February 28, 2011, and 2012. The loss carry forward will begin to expire in 2019, if not utilized. Our ability to utilize our net operating loss and tax credit carry forwards may be limited in the event of a change in ownership.

LIQUIDITY AND CAPITAL RESOURCES

At February 27, 2012, our current assets totaled \$98,591 (including cash of \$129, no accounts receivable, no prepaid expenses, and inventory of \$ 98,462). Total current liabilities were \$5,623,118 (accounts payable of \$276,961, accrued expenses of \$1,067,872, loans from Scott Sand of \$788,027, deferred revenue of \$866, a judgment payable of \$2,235,158 and convertible notes payable of \$1,254,234).

OFF-BALANCE SHEET ARRANGEMENTS

We do not have off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as "special purpose entities" (SPEs).

NEW MATERIAL COMMITMENTS

As of February 28, 2012, we entered into a Settlement and Forbearance Agreement with a group of note holders who sued the Company in June of 2009. Under the terms of this Agreement, Ingen stipulated to a judgment in the amount of \$4.5 million. As of February 28, 2012, Ingen owed \$1,924,522 of this judgment. We are currently in default under this agreement. On February 2, 2012 the Company received a letter from PWC Corporate Finance & Recovery (Cayman) Limited, regarding notification that the Group of Note Holders (as a part of the Settlement and Forbearance Agreement) have been appointed joint liquidators, and that the N.I.R. Group and Corey Ribotsky (which controlled the investment manager) are no longer involved with the companies' respective assets and investments. The company is currently preparing a new settlement agreement that will remove the default.

STOCK OFFERINGS

None in the current quarter.

ITEM V - LEGAL PROCEEDINGS

Ingen Technologies, Inc., a Georgia corporation (the "Company") and its CEO, Scott Sand were named as defendants in an enforcement action filed the Securities and Exchange Commission. The Complaint was filed on October 7, 2010 in the Southern District of Florida. Case Number 1:10-cv-23602-PAS styled Securities and Exchange Commission vs. Scott R. Sand and Ingen Technologies, Inc. On January 31, 2011, a Judgment of Permanent Injunction and Other Relief as to Defendant Ingen Technologies, Inc. was signed. The Judgment permanently enjoins the Company from violating Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated there under. The judgment also provides for disgorgement and a civil penalty, the amounts of which are to be determined once the SEC filed a motion. The SEC imposed a \$25,000 fine against the company.

On February 14, 2011, Accelerize New Media Inc. filed an entry of default in the Superior Court of California, County of Orange: Case no. 30-2011-00449357-CU-BC-CJC for an amount of \$29,039.56 that include \$24,000 for past due services and \$5,039 in legal fees and costs to file the complaint. The company is currently negotiating a payment plan with Mr. Brooks, the legal counsel for the plaintiff.

On May 13, 2011 Summons Case no. 024632/2011 filed in New York, New York in the amount of \$18,000.00 regarding Media Planet Publishing House Inc. for advertising services.

On May 20, 2011 Civil Judgment Case no. 1106674 filed in San Bernardino County Civil Court, California in the amount of \$2,235,158.74 regarding AJW Partners LLC, et., al., note holders. Ingen is in default of the Forbearance Agreements with these note holders.

On June 1, 2011 the company received a demand notice from the Guerrini Law Firm regarding collections of \$6,000 owed to 1105 Media Inc.

On July 7, 2011 the company received a demand notice from the law office of Thomas M. Buchenau regarding collections of \$2,377 owed to Preferred Employers Insurance.

On September 7, 2011 the SEC had dismissed all monetary claims against Scott Sand, former CEO and Chairman of the Board; including any civil penalties and disgorgement. The Plaintiff (SEC) Notice of Voluntary Dismissal Case 1:10-cv-23602-PAS was filed in the United States District Court, Southern District of Florida on September 7, 2011.

On September 22, 2011, Preferred Western Collection Inc. filed a Summons/Complaint against Ingen in the Superior Court of California, County of San Bernardino: Case no. CIVDS1111100 for an amount of \$5,000 for past due services owed of \$2,377 for employee insurance fees.

ITEM VI – DEFAULTS UPON SENIOR SECURITIES

As of February 28, 2012, we entered into a Settlement and Forbearance Agreement with a group of note holders who sued the Company in June of 2009. Under the terms of this Agreement, Ingen stipulated to a judgment in the amount of \$4.5 million. As of February 28, 2012, Ingen owed \$1,924,522 of this judgment. We are currently in default under this agreement. On February 2, 2012 the Company received a letter from PWC Corporate Finance & Recovery (Cayman) Limited, regarding notification that the Group of Note Holders (as a part of the Settlement and Forbearance Agreement) have been appointed joint liquidators, and that the N.I.R. Group and Corey Ribotsky (which controlled the investment manager) are no longer involved with the various companies respective assets and investments. The company is currently preparing a new settlement agreement that will remove the default.

ITEM VII – OTHER INFORMATION

PENDING RESTATEMENTS

The Company is in the process of completing an audit for the fiscal year ended May 31, 2009. As part of this audit, certain adjustments are being made to the unaudited financial statements for May 31, 2009 through May 31, 2010. These previously filed financial statements are inaccurate and need to be amended. The Company is in the process of working toward amending and resubmitting financial statements previously filed on Pink Sheets.com. The Company is also working toward making required filings with the Securities and Exchange Commission for periods from August 31, 2009 and prior.

The Company renewed its Annual Filings with the Georgia Secretary of State on April 4, 2012. The Company is delinquent with its Annual Filings of the Subsidiary with the Nevada Secretary of State.

STOCK ISSUANCES

The Company made the following common stock issuances during the quarter ended February 27, 2012

On June 23, 2011, the Company issued 1,333,334 common shares to a third party consultant pursuant to certain terms and conditions of a media contract. The conversion was valued at \$13,333 (\$.01 per share) which represents the discount to market price on that date.

On July 1, 2011, the Company issued 500,000 Preferred Series A Stock to a third party consultant pursuant to certain terms and conditions of a marketing agreement. The conversion was valued at \$5,000 (\$.01 per share) which represents the Par Value.

On July 22, 2011, the Company converted 500,000 shares of Series A Preferred stock to 5,000,000 common shares to an accredited investor. The conversion was valued at \$50,000.00 which represents the value of the preferred stock on the Company's books (the original stock issuance was valued at \$0.01 per share).

On April 5, 2012 the company issued 5,006,441 Common Shares to a third party investor as part of a conversion request and convertible note in the amount of \$60,000 dated June 11, 2010. The Stock is issued based on a per share price \$0.00175 which shall equal 5,006,441 shares at \$8,761,27 PRINCIPAL AMOUNT.

ITEM VIII- EXHIBITS

There are no Exhibits

ITEM IX - ISSUERS CERTIFICATIONS

I, Thomas J. Neavitt, certify that;

I have reviewed this quarterly disclosure for the quarter ended February 27, 2012 of Ingen Technologies, Inc;

2. Based on my know statement of a material fact necessary to make the statements made, in light of , not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement fairly present in all material respects the financial condition results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: May 15, 2012



Thomas J. Neavitt, Chief Executive Officer and Chief Financial Officer

I, Gary Tilden, certify that;

I have reviewed this quarterly disclosure for the quarter ended February 27, 2012 of Ingen Technologies, Inc;

2. Based on my know statement of a material fact necessary to make the statements made, in light of , not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement fairly present in all material respects the financial condition results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: May 15, 2012



Gary Tilden, Chairman and Chief Operations Officer