



**INGEN TECHNOLOGIES, INC.**  
**QUARTERLY REPORT**  
**November 30, 2009**

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## **PART A**

### **GENERAL COMPANY INFORMATION**

#### **ITEM I – NAME OF ISSUER AND ADDRESS OF PRINCIPAL EXECUTIVE OFFICES**

Ingen Technologies, Inc.  
35193 Avenue "A", Suite C  
Yucaipa, CA 92399  
Phone: 800-259-9622  
Fax: 909-790-7185  
Website: [www.ingen-tech.com](http://www.ingen-tech.com)



## **ITEM II – SHARES OUTSTANDING**

A. Common Stock – The Company is authorized to issue 3.5 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 November 30, 2009, 2,887,780,311 shares of the Company's Common Stock were outstanding. As of February 24, 2010, there are 3,487,741,633 shares of common stock outstanding.

B. Preferred Stock – The Company is 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 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 November 30, 2009 there were 94,802,627 shares outstanding. As of February 24, 2010, the Company had 98,002,627 shares of Series A preferred stock outstanding.

### Current information:

<i>Common Stock</i> –	3,487,741,633	shares outstanding as of February 24, 2010
	3.5 billion	shares authorized
	3,457,589,127	Freely tradable
	2	Beneficial shareholders
	508	Shareholders of record

<i>Preferred Stock</i> –	98,002,627	shares outstanding as of January 13, 2010
	100,000,000	shares authorized
	0	freely tradable
	0	Beneficial shareholders
	27	Shareholders of record

### As of last fiscal quarter – November 30, 2009

<i>Common Stock</i> –	2,887,780,311	shares outstanding as of November 30, 2009
	3.5 billion	shares authorized
	2,660,388,392	Freely tradable
	2	Beneficial shareholders
	479	Shareholders of record

<i>Preferred Stock</i> –	94,802,627	shares outstanding as of November 30, 2009
	100,000,000	shares authorized
	0	freely tradable
	0	Beneficial shareholders
	22	Shareholders of record



### ITEM III - INTERIM FINANCIAL STATEMENTS

**Ingen Technologies, Inc.**  
**Consolidated Balance Sheet (unaudited)**  
**November 30, 2009**

	<b>Unaudited</b> <b><u>November 30, 2009</u></b>
<b>ASSETS</b>	
Current assets	
Cash	\$ 419,770
Accounts receivable	193
Inventories	172,874
Prepaid expenses	374,155
Total current assets	966,992
Property and equipment, net of accumulated depreciation of \$187,664	87,047
Other assets	
Patents, net of accumulated amortization of \$11,223	56,122
<b>TOTAL ASSETS</b>	<b><u>\$ 1,110,161</u></b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	
Current liabilities	
Accounts payable	\$ 17,210
Accrued expenses	662,606
Note settlement payable	2,508,090
Deferred revenue	7,752
Officer's loans	142,426
Convertible notes payable, net of unamortized discount of \$661,082	911,341
Total current liabilities	4,249,425
Long-term liabilities	
Derivative liability	2,666,525
<b>Total liabilities</b>	<b>6,915,950</b>
Stockholders' deficit	
Preferred stock, Series A, no par value, preferred liquidation value of \$1.00 per share, 100,000,000 shares authorized, 94,802,627 issued and outstanding as of November 30, 2009, total liquidation preference of \$94,802,627	884,542
Common stock, no par value, authorized 3,500,000,000 shares, 2,887,780,311 issued and outstanding as of November 30, 2009	16,853,028
Accumulated deficit	(23,543,359)
<b>Total stockholders' deficit</b>	<b><u>(5,805,789)</u></b>



TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>\$ 1,110,161</u>
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See notes to interim unaudited consolidated financial statements

**Ingen Technologies, Inc.**  
**Consolidated Statement of Operations (unaudited)**

	<b>For the quarter ended November 30, 2009</b>
Sales	\$ 6,357
Cost of sales	<u>582</u>
Gross Profit	5,775
Selling, general and administrative expenses	660,346
Research and development	<u>10,175</u>
Operating loss	(664,746)
Other (expenses)	
Interest expense	(2,380,041)
Gain on asset disposition	-
Change in derivative liability	<u>212,568</u>
Net loss before taxes	(2,832,219)
Provision for income taxes	<u>-</u>
Net loss	<u>\$ (2,832,219)</u>
Basic and diluted net loss per share	<u>nil</u>
Weighted average number of shares outstanding	2,483,969,000

See notes to interim unaudited consolidated financial statements



**Ingen Technologies, Inc.**  
**Consolidated Statement of Cash Flows (unaudited)**

	For the quarter ended November 30, <u>2009</u>
Cash flow from operating activities	
Net loss	\$ (2,832,219)
Depreciation and amortization	8,388
Expenses paid with stock	797,646
Expenses paid through issuance of convertible notes	668,862
Change in derivative liabilities	(212,568)
Non-cash interest expense and financing costs	1,594,125
(Increase) decrease in accounts receivable	(193)
(Increase) decrease in prepaid expenses	(312,632)
(Decrease) increase in accounts payable	(114,632)
(Decrease) increase in accrued expenses	15,898
(Decrease) increase in deferred revenues	(1,513)
(Increase) decrease in inventory	<u>582</u>
Net cash used in operating activities	(388,256)
Cash flow from financing activities	
Sale of preferred stock	56,000
Payments on loans	-
Proceeds from stockholder and officer loans	125,000
Repayments of stockholder and officer loans	<u>(1,500)</u>
Net cash provided by financing activities	179,500
Net cash increase (decrease)	(208,756)
Cash at beginning of period	<u>628,526</u>
Cash at end of period	<u><u>\$ 419,770</u></u>
Supplemental information	
Cash paid for taxes	<u>\$ -</u>
Cash paid for interest expense	<u><u>\$ -</u></u>

See notes to interim unaudited consolidated financial statements

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



	Series A Preferred Stock		Common Stock		Common Subscription	Retained	
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>receivable</u>	<u>Earnings</u>	<u>Total</u>
<b>Balance at May 31, 2009</b>	<b>88,992,627</b>	<b>\$ 790,092</b>	<b>527,213,169</b>	<b>\$ 6,971,122</b>	<b>\$ (20,000)</b>	<b>\$ (18,736,274)</b>	<b>\$ (10,995,060)</b>
Conversion of Series A Preferred stock							
into common stock	(5,315,000)	(159,450)	53,150,000	159,450			-
Conversion of Series A Preferred stock							
into common stock by officer	(1,000,000)	(100)	10,000,000	100			-
Issuance of Series A Preferred stock							
for expenses	1,000,000	10,000					10,000
Series A Preferred stock issued for cash	11,000,000	115,000					115,000
Receipt of common stock subscription receivable					\$ 20,000		20,000
Issuance of common stock for cash			397,383,884	858,000			858,000
Issuance of common stock for services			10,000,000	50,000			50,000
Issuance of common stock for conversions of notes (including additional interest expense) and stock issued for other debt settlement			1,082,410,636	6,111,743			6,111,743
Net loss for quarter ended August 31, 2009	-	-	-	-	-	(1,974,866)	(1,974,866)
<b>Balance at August 31, 2009</b>	<b>94,677,627</b>	<b>\$ 755,542</b>	<b>2,080,157,689</b>	<b>\$ 14,150,415</b>	<b>\$ -</b>	<b>\$ (20,711,140)</b>	<b>\$ (5,805,183)</b>
Conversion of Series A Preferred stock							
into common stock	(7,000,000)	\$ (40,000)	40,000,000	\$ 40,000			-
Issuance of Series A Preferred stock							
for expenses	4,000,000	113,000					113,000
Series A Preferred stock issued for cash	3,125,000	56,000					56,000
Issuance of common stock for conversions of notes (including additional interest expense) and stock issued for other debt settlement			767,622,622	2,662,613			2,662,613
Net loss for quarter ended November 30, 2009	-	-	-	-	-	(2,832,219)	(2,832,219)





Balance at November 30, 2009	<u>94,802,627</u>	<u>\$ 884,542</u>	<u>2,887,780,311</u>	<u>\$ 16,853,028</u>	<u>\$ -</u>	<u>\$ (23,543,359)</u>	<u>\$ (5,805,789)</u>
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See notes to the interim unaudited consolidated financial statements



**Ingen Technologies, Inc.**  
**Notes to unaudited interim Consolidated Financial Statements**  
**For the quarter ended November 30, 2009**

**NOTE 1 - NATURE OF BUSINESS**

Ingen Technologies, Inc. is a medical device manufacturer with products registered with the U.S. Food & Drug Administration and holds a manufacturing license issued by the California Department of Health & Human Services in Compliance with manufacturing 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. owns 100% of the capital stock of Ingen Technologies, Inc., a Nevada corporation, and this subsidiary was incorporated on June 10, 1999.

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

According to 2007 CDC statistics, there are an estimated 23 million patients diagnosed with chronic obstructive pulmonary disease (COPD) in the United States and an estimated 600 million patients worldwide, according to the World Health Organization. There are also another estimated 12 million patients that are undiagnosed in the US. COPD is the fifth leading cause of death in the US and is one of the leading causes of death in the world. The majority of COPD patients require continued home oxygen therapy, which includes all of the required equipment supplied by the home suppliers of Durable Medical Equipment (DME). With the ongoing cuts of reimbursement for oxygen providers in the US, the home (DME) providers need to cut costs to stay in business. Oxyview provides 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 related to equipment malfunction.

*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 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 there is an increase in anxiety unnecessary patient calls to their (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 Oxyview® Nasal Cannula in May-2009. The Company offers both a reusable Oxyview and a disposable Oxyview attached to a nasal cannula. Oxyview® is reusable and the Oxyview® 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.

*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 and continues to hold these positions today.

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, which is part of Ingen's BAFI line of products. 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. 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. The effects of the reverse stock splits have been adjusted for in these financial statements.

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 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.

*The following is a summary of our Intellectual Rights:*

*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. 77-405551



## 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:** Ingen 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 Ingen's historical experience. All orders are customized with substantial down payments. Products are released upon receipt of the remaining funds. For our Oxyview units, all payments are made in advance by the customers. Upon our shipment of the units, revenue is recognized.

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

**Fair Value of Financial Instruments:** Ingen Technologies' financial instruments consist principally of cash, accounts receivable, prepaid expenses, inventories, accounts payable and borrowings. Ingen 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:** Ingen 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: 3 to 5 years for computer, software and office equipment, and 5 to 7 years for furniture and fixtures.

CONVERTIBLE NOTES PAYABLE AND DERIVATIVE LIABILITIES: Ingen 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 conventional convertible 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 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 each 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.

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. The effects of the reverse stock splits have been adjusted for in these financial statements. On September 28, 2009, the Company increased its number of authorized shares of common stock from 2.5 billion to 3.5 billion.

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.

Events of default under Note Agreements and Settlement Agreement: As of May 31, 2009, Ingen had committed various acts which constitute events of default under Securities Purchase Agreements dated July 25, 2006, March 15, 2007 and July 15, 2007 (and the notes thereunder with total principal balances of \$2,284,308). 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 on a weekly basis 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 is 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. In the current quarter, the Company has issued 506,889,122 shares to the note holders (590,302,385 total shares have been issued as of November 30, 2009 to the note holders). These shares have generated proceeds and directly reduced this judgment amount by \$1,991,910 as of November 30, 2009. As of this date the Company still owed \$2,508,090 on this judgment, which accrues interest at a rate of 9%. Since the end of the quarter, the Company issued an additional 177,628,114 shares which further reduced this judgment payable by an additional \$331,180. As of February 24, 2010 the total remaining balance on this obligation is \$2,176,910.

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.

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.

In April 2008, the FASB issued FASB Staff Position No. 142-3, DETERMINATION OF THE USEFUL LIFE OF INTANGIBLE ASSETS ("FSP No. 142-3") to improve the consistency between the useful life of a recognized intangible asset (under SFAS No. 142) and the period of expected cash flows used to measure the fair value of the intangible asset (under SFAS No. 141(R)). FSP No. 142-3 amends the factors to be considered when developing renewal or extension assumptions that



are used to estimate an intangible asset's useful life under SFAS No. 142. The guidance in the new staff position is to be applied prospectively to intangible assets acquired after December 31, 2008. In addition, FSP No. 142-3 increases the disclosure requirements related to renewal or extension assumptions. The Company does not believe implementation of FSP No. 142-3 will have a material impact on its financial statements.

In May 2008, the FASB issued Statement No. 162, THE HIERARCHY OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. This statement identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles (GAAP) in the United States (the GAAP hierarchy). This statement is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "THE MEANING OF PRESENT FAIRLY IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES."

In May 2008, the FASB issued Statement No. 163, ACCOUNTING FOR FINANCE GUARANTEE INSURANCE CONTRACTS - AN INTERPRETATION OF FASB STATEMENT NO. 60. The premium revenue recognition approach for a financial guarantee insurance contract links premium revenue recognition to the amount of insurance protection and the period in which it is provided. For purposes of this statement, the amount of insurance protection provided is assumed to be a function of the insured principal amount outstanding, since the premium received requires the insurance enterprise to stand ready to protect holders of an insured financial obligation from loss due to default over the period of the insured financial obligation. This Statement is effective for financial statements issued for fiscal years beginning after December 15, 2008.

In June 2008, the FASB issued FASB Staff Position Emerging Issues Task Force (EITF) No. 03-6-1, DETERMINING WHETHER INSTRUMENTS GRANTED IN SHARE-BASED PAYMENT TRANSACTIONS ARE PARTICIPATING SECURITIES ("FSP EITF No. 03-6-1"). Under FSP EITF No. 03-6-1, unvested share-based payment awards that contain rights to receive nonforfeitable dividends (whether paid or unpaid) are participating securities, and should be included in the two-class method of computing EPS. FSP EITF No. 03-6-1 is effective for fiscal years beginning after December 15, 2008, and interim periods within those years, and is not expected to have a significant impact on the Company's financial statements.

### 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 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 CEO, and the loss of any of those contractors or the CEO, may harm the Company's business.

Additionally, as described above as of May 31, 2009, the Company was technically in default under its settlement agreement with a group of note holders. The holders of these notes commenced legal action against the company in June 2009. On July 31, 2009, the Company stipulated to a \$4.5 million judgment in favor of the note holders and is required to make weekly payments in the form of free trading stock and other cash payments should the Company be successful in raising capital in the future. As a part of the judgment, both parties entered into a Forbearance Agreement where the interest was decreased from 12% to 9%, all of the warrants were canceled, and the conversions were limited and applied directly to the judgment amount. At the time of the Forbearance Agreement, the Company owed the note holders \$2,256,507 in principal, \$554,163 in accrued interest and an unrecorded loan of \$5,714. The Company recorded an additional interest expense of approximately \$1.75m to record the difference between these balances and the \$4.5m stipulated judgment amount. In the quarter ended November 30, 2009, the Company has issued 506,889,122 shares to the note holders (590,302,385 total shares have been issued as of November 30, 2009 to the note holders). These shares have generated proceeds and directly reduced this judgment amount by \$1,991,910 as of November 30, 2009. As of this date the Company still owed \$2,508,090 on this judgment, which accrues interest at a rate of 9%. Since the end of the quarter, the Company issued an additional 177,628,114 shares which further reduced this judgment payable by an additional \$331,180. As of February 24, 2010 the total remaining balance on this obligation is \$2,176,910.

The Company incurred an operating loss of (\$664,746) for the quarter ended November 30, 2009 and a total net loss of (\$2,832,219) for the period. As of that date, Ingen had an accumulated deficit of (\$23,543,359).

#### NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows:

	As of November 30, <u>2009</u>
Vehicles	\$ 9,500
Furniture & Fixtures	31,705
Machinery & Equipment	188,710
Leasehold Improvements	<u>44,796</u>
	274,711
Less accumulated depreciation	<u>(187,664)</u>
Property and Equipment, net	<u>\$ 87,047</u>

#### NOTE 5 - ACCRUED EXPENSES

Accrued expenses at August 31, 2009 consisted of:

	As of <u>November 30, 2009</u>
Accrued officer's compensation	\$ 201,150
Accrued interest expense	453,516
Accrued taxes	7,701
Accrued royalties payable	<u>239</u>
Total	<u>\$ 662,606</u>

#### NOTE 6 - INCOME TAXES

Provision for income tax for the quarter ended November 30, 2009 was none.

As of November 30, 2009, the Company has net operating loss carryforwards, approximately, of \$11.5m, to reduce future federal and state taxable income. To the extent not utilized, the carryforwards will begin to expire through 2028. The Company's ability to utilize its net operating loss carryforwards is uncertain and thus the Company has not booked a deferred tax asset, since future profits are indeterminable.

#### NOTE 7 - NET LOSS PER SHARE

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

	<b>For the quarter ended November 30, 2009</b>
Numerator: Net loss	\$ (2,832,219)
Denominator: Weighted Average Number of Shares	2,483,969,000
Net loss per share - Basic and diluted	<u>nil</u>

#### NOTE 8 - SEGMENT INFORMATION

SFAS No. 131 "Disclosures about Segments of an Enterprise and Related Information" requires that a publicly traded company must disclose information about its operating segments when it presents a complete set of financial statements. The Company has only one segment; therefore, the detail information is not presented.

#### NOTE 9 - RELATED PARTY TRANSACTIONS

Ingen owes its CEO, Scott Sand, a total of \$408,309 as of November 30, 2009. This is comprised of \$201,150 in accrued compensation, \$64,733 in accrued interest on notes and \$142,426 in direct loans made to the Company or for expenses paid on behalf of the Company. The Company accrues interest at a rate of 6% per annum on the direct loans made to the Company and has accrued interest in the amount of \$565 to Mr. Sand in the current quarter.

The Company issued to Scott Sand two notes 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 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 as of November 30, 2009. In the quarter ended August 31, 2009, the Company issued 372,117,287 common shares to pay a total of \$765,000 of the "debt wrap" obligations (the other \$100,000 was paid through stock issuances in the fiscal year ended May 31, 2009). The total value of these shares was equal to approximately \$2.3m at the time of issuance, as the stock was issued at a discount under the terms of the notes. The amount to

which the stock value exceeded the face value of the note paid through the stock issuances was booked as additional interest expense in the quarter ended August 31, 2009. This resulted in the Company booking interest expense of approximately \$1.5m in the quarter relating to these agreements.

Mr. Sand entered into two additional “Wrap-Around Agreements” in September and October 2009. The total value of these agreements was \$896,423. One entity was assigned \$100,000 of debt due to Mr. Sand. This debt was immediately converted into 50,000,000 shares of stock with a fair market value of \$170,000. The Company booked the additional \$70,000 as interest expense in the current quarter. The other Wrap-Around Agreement is in the amount of \$796,423. The holder of this assigned debt began converting the note issued by the Company in January 2010. The notes were fully settled through the issuance of stock in February 2010.

On September 1, 2008, the Company issued a convertible note to Robert Sand, the father of the Company’s CEO and Chairman, in the amount of \$45,000 for services rendered to the Company. This note had an interest rate of 6% and is convertible into shares of common stock at a rate of 50% of the average of the lowest three trading prices during the twenty day trading period ending on the day prior to the conversion date. The Company issued 57,500,000 shares of its common stock to Robert Sand to pay this note in full in June 2009. Under the agreement, Robert Sand could convert the note into common shares at a 50% discount to the average bid price on the three days prior to the date of conversion. The fair market value of the shares issued on the dates of conversion was equal to \$316,750. The additional \$271,750, representing the fair market value of the stock in excess of the face value of the note, has been booked as additional interest expense. Robert Sand has 40 years experience as a mechanical engineer and holds a master degree in mechanical engineering from Valparaiso University in Indiana. Robert Sand has been involved with the manufacturing and tooling processes for the company’s Oxyview products since 2004.

On September 1, 2009, the Company issued a second convertible note to Robert Sand, the father of the Company’s CEO and Chairman, in the amount of \$48,000 as consideration under a Contracting Agreement entered into on the same date. Under the terms of the Contracting Agreement, the Company hired Mr. Sand to furnish his expertise, knowledge and other resources to work directly with the Company’s vendors in engineering design and testing. The Contracting Agreement is for a one-year term at a rate of \$4,000 per month. In full payment of this contract, the Company issued a note payable in the amount of \$48,000. The note is interest-free, payable on demand and is convertible into shares of common stock at a rate of 60% of the average bid price on the three trading days prior to the conversion date.

#### NOTE 10 - LEASE OBLIGATION

The Company leases its administrative office under an unsecured lease agreement which expires on April 1, 2011. The Company also maintains a corporate office under a month-to-month lease agreement. As of November 30, 2009, the remaining lease obligation is as follows:

Year Ending	Lease
-------------	-------

May 31,	Obligation	
2010	\$ 1,700	(the company has prepaid its lease obligation through April 2011)
2011	20,400	
2012	<u>17,000</u>	
	<u>\$ 39,100</u>	

#### NOTE 11 - INTANGIBLE ASSETS

The Company has recorded patents at a cost of \$67,345. This represents legal costs of filing for patents and the purchase of the exclusive rights for a patent for Oxyview (TM) 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 (TM) units it has decided to begin a 15-year amortization of the costs of the patents.

#### 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 May 31, 2008.

#### NOTE 13 - CONVERTIBLE NOTES PAYABLE AND DERIVATIVE LIABILITIES

The Company had previously entered into a series of convertible notes payable with a group of investors who loaned a total of \$2,335,000 to the Company (the "NIR Group"). Approximately \$79,000 was paid through stock issuances through June 2009 when the investors initiated legal action against the Company. The Company entered into a settlement agreement stipulating to a \$4.5m settlement with the NIR Group. At the time, the total principal balance on the notes was \$2,256,507 and the notes had accrued interest of \$554,163. Additionally, the Company had received an advance of \$5,714. The Company recorded \$1,681,417 in additional interest upon entering into the settlement agreement. The derivative liability associated with these notes was equal to \$4,783,230. This liability was written off as income upon entering into the settlement agreement. In the quarter ended November 30, 2009, the Company has issued 506,889,122 shares to the note holders (590,302,385 total shares have been issued as of November 30, 2009 to the note holders). These shares have generated proceeds and directly reduced this judgment amount by \$1,991,910 as of November 30, 2009. As of this date the Company still owed \$2,508,090 on this judgment, which accrues interest at a rate of 9%. Since the end of the quarter, the Company issued an additional 177,628,114 shares which further reduced this judgment payable by an additional \$331,180. As of February 24, 2010 the total remaining balance on this obligation is \$2,176,910.

As of May 31, 2009, the Company had other convertible debentures outstanding (besides the NIR notes discussed above) with principal balances of \$1,572,422. These notes had previously been issued for services rendered to the Company from 2004-2008. As of May 31, 2009, the Company also had booked derivative liabilities of \$1,561,598 on these convertible notes. In the six months ended November 30, 2009, the Company has issued additional convertible notes for services in the total amount of \$434,000. The Company valued the convertible feature embedded in each convertible note at the date of issuance and each subsequent quarter using a Black Scholes model. The value of the convertible feature was first allocated as a discount to the note payable up to the face value of the note. Any additional amount was recorded as a derivative liability. The change in the valuation of the derivative liability at the end of each quarter was booked either as income (if the value decreased) or as an expense (if the value of the convertible increased). To the extent that the convertible debt was settled (either in full or partially) that portion of the derivative liability was written off as income due to change in the derivative liability.

The "Debt Wrap" agreements described in Note 9 above also impacted the financial statements. The Company recorded non-cash interest expense in the current quarter of \$1,083,763 as a result of Mr. Sand, our Chairman and CEO, assigning his note of \$565,000 to a third party. The interest charge was a result of the Company changing the terms of the note to enable the new holder to convert the debt. A derivative liability in the amount of \$1,083,763 was booked at the time of issuance of this new note on June 17, 2009. The note was paid in full in the quarter ending August 31, 2009 through the issuance of common stock and the \$1,083,763 was recorded as income due to a change in derivative liability when the note was extinguished. The subsequent Debt Wrap agreements similarly impacted the financial statements.



As of November 30, 2009, the Company had \$1,572,423 in convertible debts (this amount is comprised of \$776,000 in convertible notes issued for services rendered from 2006-2009 and a note resulting from a Debt Wrap Agreement in the amount of \$796,423). These convertible debts had a total derivative liability of \$2,666,525 associated with the convertibility feature. The following table summarizes the derivative liability activity:

	Current	Change in Derivative	Change in Derivative	Change in Derivative	Unamortized
	Conversion Value	Income in	Income in	Income in	Debt Discount
		Aug 31 quarter	current quarter	six months	as of 11/30/09
NIR Notes	\$ -	\$ (4,783,230)	\$ -	\$ (4,783,230)	\$ -
\$225,000 Note dated June 1, 2004	0	(148,247)	-	(148,247)	0
\$200,000 Note dated March 15, 2007	36,429	(184,604)	19,336	(165,268)	0
\$50,000 Note dated September 4, 2005	0	(8,477)	-	(8,477)	0
\$50,000 Note dated January 1, 2007	0	(48,411)	(2,013)	(50,424)	0
\$50,000 Note dated May 15, 2007	0	(50,424)	-	(50,424)	0
\$50,000 Note dated February 19, 2006	0	(22,111)	-	(22,111)	0
\$315,000 Note dated August 7, 2007	567,860	(50,948)	301,135	250,187	0
\$30,000 note dated June 17, 2008	0	(46,578)	-	(46,578)	0
\$45,000 note dated Sept 1, 2008	0	(69,867)	-	(69,867)	0
\$225,000 Note dated September 1, 2008	46,299	(68,284)	(234,754)	(303,038)	0
\$50,000 Note dated May 1, 2009	30,418	(5,435)	(59,973)	(65,408)	20,890
\$300,000 Note dated September 1, 2009	419,515	-	(55,090)	(55,090)	0
\$48,000 Note dated September 1, 2009	67,122	-	(8,814)	(8,814)	0
\$36,000 Note dated September 1, 2009	50,342	-	(6,611)	(6,611)	0
\$50,000 Note dated October 5, 2009	87,308	-	(7,586)	(7,586)	42,329
\$565,000 Debt Wrap note	0	(1,083,763)	-	(1,083,763)	0
\$200,000 Debt Wrap note	0	(200,938)	-	(200,938)	0
\$796,423 Debt Wrap note	<u>1,361,230</u>	<u>-</u>	<u>(158,198)</u>	<u>(158,198)</u>	<u>597,863</u>
	<u>\$ 2,666,523</u>	<u>\$ (6,771,318)</u>	<u>\$ (212,568)</u>	<u>\$ (6,983,886)</u>	<u>\$ 661,082</u>

In the quarter ended November 30, 2009, the Company issued a total of 210,733,500 shares of common stock to settle \$217,000 in convertible debt (1,157,276,700 shares have been issued in the six months ended November 30, 2009 to settle \$1,417,390 in debt). The fair market value of these shares on the dates of issuance (or in some cases on the dates of the Company's receipt of the conversion documentation) was equal to \$820,647 (\$6,584,646 for the shares issued in the six months ended November 30, 2009). The note holders were able to convert their debts at a discount, in some cases a substantial discount. These discounts ranged from a 50% discount on the previous day's closing price to a 50% discount on the three lowest trades in the 20 previous trading days. The excess of the fair market value of the stock issued over the face value of the note converted was booked as additional interest expense. This caused the Company to book





an additional interest expense of \$603,647 of interest expense in the quarter ended November 30, 2009 (\$5,161,256 of interest was booked in the six months ended November 30, 2009 as a result of the excess fair market value over the face value of notes settled through stock issuances).

#### NOTE 14 - 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.

#### NOTE 15 - 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 were issued as part of the Securities Purchase Agreement dated July 26, 2006 were exercisable over a 7-year period (ending on July 26, 2013) at a price of \$0.10 per share. The 9 million warrants were issued as part of the Securities Purchase Agreement dated March 15, 2007 were 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.

On March 31, 2008, the Company issued to a consultant, an anti-dilutive warrant granting the holder the right to purchase up to 250,000 shares of common stock at \$.50 per share until March 31, 2011. The Company also issued the consultant a convertible promissory note in the principal amount of \$37,000 due September 1, 2008. The company paid the full balance of this note in June-2009. Furthermore, in the event of a merger, consolidation, combination, subdivision, forward split or reverse split, any portion of the unpaid amount of this note may be converted into fully-paid, non-assessable shares of the Company's common stock, at a conversion price equal to \$.25 per share.

In connection with the Promissory Note, Ingen issued 250,000 anti-dilutive 3-year common stock purchase warrants. The warrants have an exercise price of \$0.50 per share and may be exercised at any time prior to March 31, 2011.

#### NOTE 16 – SIGNIFICANT CUSTOMER

Of our sales in the six months ended November 30, 2009, \$100,000 of cash sales and a \$100,000 pending purchase order were from one customer, Medox Corporation, with whom we have entered into other transactions, including sales of Series A preferred stock and restricted common stock to both Medox and its President, Jeffrey Gleckman. We had also previously issued to Medox convertible debentures on June 1, 2004 for \$225,000, March 15, 2007 for \$200,000, September 1, 2008 for \$225,000 and September 1, 2009 for \$300,000 in consideration for services rendered to the Company in assisting with its sales and marketing of Oxyview. Of the total principal balance of \$950,000, \$593,000 has been converted into common stock leaving a balance due of \$357,000 as of November 30, 2009.

In the fiscal year ended May 31, 2009, the Company issued 170,072,520 shares of common stock to settle \$106,941 of the debt owed to Medox. This stock had a fair market value of \$240,384 at the time of issuance, but was issued at a discount per the terms of the convertible

debenture agreements. During the quarter ended August 31, 2009, the Company issued 370,698,488 to settle an additional \$296,059 of the debt owed to Medox. The fair market value of these shares on the date of issuance was \$2,349,485. In the quarter ended November 30, 2009, the Company issued an additional 185,000,000 shares to Medox in satisfaction of \$185,000 of debt. The fair market value of these shares was equal to \$713,000 on the dates of issuance. As of January 13, 2010, Mr. Gleckman directly or indirectly (through Medox Corporation) owned 80,008,851 shares of our common stock (2.36% of the outstanding shares of common stock) and 2,500,000 shares of our Series A preferred stock (2.64% of the outstanding shares of preferred stock).

#### NOTE 17 – SUBSEQUENT EVENTS

In December 2009, the Company issued 40,000,000 shares to the NIR Group as payments under the \$4.5 million Settlement and Forbearance Agreement (since the judgment is reduced by the actual proceeds the exact amount of the reduction is not known until all of the shares have been sold by the note holder).

In January 2010, the Company issued an additional 97,628,114 shares to the NIR Group as payments under the \$4.5 million Settlement and Forbearance Agreement (since the judgment is reduced by the actual proceeds the exact amount of the reduction is not known until all of the shares have been sold by the note holder).

In January 2010, the Company issued 191,185,184 shares to an entity to pay \$200,000 on a convertible note. This note was part of the “Wrap-Around Agreement” between the note holder, the Company and its CEO, Scott Sand entered into in September 2009 in the amount of \$796,423. The \$796,423 was originally owed to Mr. Sand for past due wages, accrued interest and for payments made by Mr. Sand on behalf of the Company. Under the terms of this agreement, Mr. Sand sold the debt owed to him to the unrelated third party for the face value of the amount owed. The Company then paid the note through the issuance of the stock.

In January 2010, the Company issued 95,592,592 shares to two entities to pay \$100,000 on two convertible notes. These notes were “Wrap-Around Agreements” between the note holders, the Company and its CEO, Scott Sand. The \$100,000 was originally owed to Mr. Sand for past due wages, accrued interest and for payments made by Mr. Sand on behalf of the Company. Under the terms of this agreement, Mr. Sand sold the debt owed to him to the unrelated third party for the face value of the amount owed. The Company then paid the note through the issuance of the stock.

In February 2010, the Company issued an additional 40,000,000 shares to the NIR Group as payments under the \$4.5 million Settlement and Forbearance Agreement.

In February 2010, the Company issued 138,888,888 shares to one entity to pay \$100,000 on a convertible note. This note was a “Wrap-Around Agreement” between the note holder, the Company and its CEO, Scott Sand. The \$100,000 was originally owed to Mr. Sand for past due



wages, accrued interest and for payments made by Mr. Sand on behalf of the Company. Under the terms of this agreement, Mr. Sand sold the debt owed to him to the unrelated third party for the face value of the amount owed. The Company then paid the note through the issuance of the stock.

In December 2009, the Company issued 3,000,000 shares of its Series A preferred stock to three entities for services rendered to the Company.

#### **ITEM IV - MANAGEMENT'S DISCUSSION**

##### **RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2009 COMPARED TO THE THREE MONTHS ENDED NOVEMBER 30, 2008**

We reported gross sales of \$6,357 in the quarter ended November 30, 2009, with a pending purchase order of \$100,000 from MedOx Corporation. The order requires Model 203A and Model 203NC, which the company will manufacture and deliver in January-2010. The current quarter sales represented an increase of 17.7% from sales of \$5,402 in the quarter ended November 30, 2008. Our sales were sparked by the introduction of an "all-in-one" Oxyview Nasal Cannula unit that includes a cannula with our Oxyview unit. Additional capital also enabled us to increase our advertising and marketing of our Oxyview products. We anticipate that our sales of Oxyview will increase from the current quarter's sales as we expand sales channels.

Our total cost of sales was \$582 in the quarter ended November 30, 2009 and our gross profit was \$5,775 (a gross margin of 90.8%). We reported cost of sales of \$574 the quarter ended November 30, 2008 with a gross profit of \$4,828 (a gross margin of 89.4%). We anticipate that our gross margin will continue to stay in the range of the current quarter.

Our selling, general and administrative expenses were \$660,346 in the quarter ended November 30, 2009. This was a decrease of approximately 30% from the selling, general and administrative expenses of \$940,989 reported in the quarter ended November 30, 2008. The decrease in SG&A was due, in part, to increased amounts paid for outside services.

The largest components of our SG&A are advertising, legal and professional services, travel associated with both sales and business development, outside services and salaries. Our advertising expense increased from zero in the quarter ended November 30, 2008 to \$41,090 in the quarter ended November 30, 2009. We expect to continue advertising at current levels as we continue to promote Oxyview.

We spent \$111,977 on legal and professional fees in the quarter ended November 30, 2009. This was an increase of 64% over the legal and professional fees of \$68,193 in the quarter ended November 30, 2008 (an increase of 283%). We incurred additional legal and accounting fees associated with restating our financial statements and making strides toward meeting our reporting obligations with the SEC in the quarter ended November 30, 2009.

Our travel expense increased to \$53,454 in the quarter ended November 30, 2009 from \$25,078 in the quarter ended November 30, 2008 (an increase of 113%). This increase in travel expense is due to travel related to the promotion of our products. We expect travel expense to remain at current levels as long as capital remains available.

The amounts we paid for outside services decreased to \$280,909 in the quarter ended November 30, 2009 from \$788,781 in the quarter ended November 30, 2008 (a decrease of

181%). We incurred expenses related to outside services by issuing shares of our common stock for services rendered to the Company.

Our interest expense for the quarter ended November 30, 2009 was \$2,380,041. This is an increase of 263% from the interest expense of \$656,159 in the quarter ended November 30, 2008. Our interest expense in the current quarter is a function of three items: the accrual of interest on our notes which was equal to \$82,402; the interest expense relating to the accounting treatment of the convertible feature of the notes payable which was \$1,594,125; and the excess fair market value of the stock paid in settlement of convertible notes over the face value of the note which was equal to \$703,514. Our interest expense for the quarter ended November 30, 2008 was comprised of interest accrued on our notes which were \$135,230 and the interest expense relating to financing costs which was \$520,929.

We recorded expense due to the change in our derivative liability in the amount of \$111,731 in the quarter ended November 30, 2008. This is compared to income in the amount of \$212,568 in the current quarter ended November 30, 2009. The income was partially due to the extinguishment of some of the convertible debts in the current quarter which enabled Company to write off the derivative liability associated with these debts.

We have not generated net profit to date and therefore have not paid any federal income taxes since inception. We did not pay state taxes in the quarters ended November 30, 2009 and 2008, respectively. We estimate that our federal tax net operating loss carryforward will be approximately \$9 million as of May 31, 2009, the end of our last fiscal year. The loss carryforward will begin to expire in 2019, if not utilized. Our ability to utilize our net operating loss and tax credit carryforwards may be limited in the event of a change in ownership.

#### LIQUIDITY AND CAPITAL RESOURCES

At November 30, 2009, our current assets totaled \$966,992. Total current liabilities were \$4,249,425. We had \$6,357 sales in the quarter ended November 30, 2009, sales of our preferred Series A stock which netted \$56,000 and received net loans from our CEO and Chairman Scott R. Sand of \$125,000. Our finances were assisted by deferments from Mr. Sand who accrued \$42,500 in salary in the quarter. As of November 30, 2009, we owed Mr. Sand \$408,309. This amount is comprised of \$142,426 in net loans, \$201,150 in accrued salary and an additional \$64,733 in accrued interest on his loans to the Company.

Our future cash requirements will depend on many factors, including finishing the development of our OxyAlert, the costs involved in filing, prosecuting and enforcing patents, competing technological and market developments and the cost of product commercialization for OxyAlert in particular, as well as our ongoing Oxyview sales efforts. We intend to seek additional funding through public or private financing transactions. Successful future operations are subject to a number of technical and business risks, including our continued ability to obtain future funding, satisfactory product development and market acceptance for our products.

## **ITEM V – LEGAL PROCEEDINGS**

None.

## **ITEM VI – DEFAULTS UPON SENIOR SECURITIES**

On June 3, 2009, a group of investors who loaned a total of \$2,335,000 to the Company (hereinafter referred to as “the NIR Group”) filed a lawsuit against the Company for breach of contract under the terms of the notes. 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. The judgment bears an interest rate of 9%. In the quarter ended November 30, 2009, the Company has issued 506,889,122 shares to the note holders (590,302,385 total shares have been issued as of November 30, 2009 to the note holders). These shares have generated proceeds and directly reduced this judgment amount by \$1,991,910 as of November 30, 2009. As of this date the Company still owed \$2,508,090 on this judgment, which accrues interest at a rate of 9%. Since the end of the quarter, the Company issued an additional 177,628,114 shares which further reduced this judgment payable by an additional \$331,180. As of February 24, 2010 the total remaining balance on this obligation is \$2,176,910.

## **ITEM VII – OTHER INFORMATION**

The Company filed a Form 8-K with the Securities and Exchange Commission on August 4, 2009 indicating that it believes that its financial statements for the fiscal years ending May 31, 2007 and May 31, 2008 as well as the interim financial statements for the quarter ended August 31, 2008 should no longer be relied upon. The Company and its auditors are currently in the process of properly accounting and disclosing this information. Until the company files the pending 10-QSB(s) ending November 30, 2008 and February 28, 2009, respectively, including the 10-KSB ending May 31, 2009; the previously filed financial statements for the fiscal year ending May 31, 2008 should not be relied upon either as they may require adjusted restatement items. The financial statements filed herewith have been adjusted for the items related to the restatements (which have not been audited as of the date of this filing).

On September 28, 2009, the Company increased its number of authorized shares of common stock from 2.5 billion to 3.5 billion. This action was approved by shareholders on September 22, 2009 and ratified by Board resolution on September 25, 2009.

On September 1, 2009, the Company issued a \$300,000 convertible debenture to Medox Corporation under a six month contract to provide the Company with sales and marketing assistance with its Oxyview products. The contract has a six month term commencing on September 1, 2009.

In September 2009, the Company issued 20 million shares to two Series A preferred stockholders as conversions of 2 million shares of Series A preferred stock.

In September 2009, the Company issued 184,391,955 shares to the NIR Group as payments under the \$4.5 million Settlement and Forbearance Agreement. In October 2009, the Company issued an additional 322,497,167 shares of its common stock to the NIR Group as payments under the Settlement Agreement. These issuances reduced the liability owed to the NIR Group under the agreement to \$2,508,090.

In October 2009, the Company issued 210,733,500 shares of common stock to pay convertible debt obligations in the amount of \$217,000. The fair market value of these shares on the dates of issuance was equal to \$820,647.

In October 2009, the Company issued 50,000,000 shares to an entity to pay a \$100,000 convertible note. This note was issued under a "Wrap-Around Agreement" between the note holder, the Company and its CEO, Scott Sand. The \$100,000 was originally owed to Mr. Sand for past due wages, accrued interest and for payments made by Mr. Sand on behalf of the Company. Under the terms of this agreement, Mr. Sand sold the debt owed to him to the unrelated third party for the face value of the amount owed. The Company then paid the note through the issuance of the stock.





In November 2009, the Company issued 3,000,000 shares of its Series A preferred stock to two employees for services rendered to the Company.

In December 2009, the Company issued 3,000,000 shares of its Series A preferred stock to three individuals for services rendered to the Company.

In December 2009, the Company issued 40,000,000 shares to the NIR Group as a payment under its Settlement and Forbearance Agreement on which approximately \$2.5m was owed as of the date of this issuance.

In December 2009, the Company issued 40,000,000 shares of common stock to pay convertible debt obligations in the amount of \$40,000. The fair market value of these shares on the dates of issuance was equal to \$224,000.

In January 2010, the Company issued 286,777,776 shares to three entities to pay \$300,000 in convertible notes. These notes were issued under a "Wrap-Around Agreements" between the note holder, the Company and its CEO, Scott Sand. The \$300,000 was originally owed to Mr. Sand for past due wages, accrued interest and for payments made by Mr. Sand on behalf of the Company. Under the terms of this agreement, Mr. Sand sold the debt owed to him to the unrelated third party for the face value of the amount owed. The Company then paid the note through the issuance of the stock. The fair market value of these shares on the dates of issuance was equal to \$630,911.

In February 2010, the Company issued an additional 40,000,000 shares to the NIR Group as payments under the \$4.5 million Settlement and Forbearance Agreement.

In February 2010, the Company issued 138,888,888 shares to one entity to pay \$100,000 on a convertible note. This note was a "Wrap-Around Agreement" between the note holder, the Company and its CEO, Scott Sand. The \$100,000 was originally owed to Mr. Sand for past due wages, accrued interest and for payments made by Mr. Sand on behalf of the Company. Under the terms of this agreement, Mr. Sand sold the debt owed to him to the unrelated third party for the face value of the amount owed. The Company then paid the note through the issuance of the stock.



### **ITEM VIII - EXHIBITS**

Amendment to Articles of Incorporation filed with the State of Georgia on September 28, 2009 (incorporated by reference and originally filed with the Form 8-K dated September 22, 2009 and filed on September 28, 2009).

Settlement and Forbearance Agreement executed with the NIR Group on July 31, 2009, (incorporated by reference and originally filed with the Form 8-K dated July 28, 2009 and filed on August 4, 2009).



## **ITEM IX - CERTIFICATIONS**

I, Thomas J. Neavitt, certify that;

I have reviewed this quarterly disclosure for the quarter ended November 30, 2009 of Ingen Technologies, Inc;

2. Based on my knowledge, this disclosure does not contain any untrue statement of a material fact or omit to state a material necessary to make the statements made, in light of circumstances under which such statements were made, 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: February 24, 2010

A handwritten signature in black ink, appearing to read "Thomas J. Neavitt", written over a horizontal line.

Thomas J. Neavitt, Chief Financial Officer

I, Scott R. Sand, certify that;

I have reviewed this quarterly disclosure for the quarter ended November 30, 2009 of Ingen Technologies, Inc;

2. Based on my knowledge, this disclosure does not contain any untrue statement of a material fact or omit to state a material necessary to make the statements made, in light of circumstances under which such statements were made, 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: February 24, 2010

A handwritten signature in black ink, appearing to read "Scott R. Sand", written over a horizontal line.

Scott R. Sand, Chief Executive Officer and  
Chairman of the Board