

NEWS RELEASE

FOR IMMEDIATE RELEASE

R3 Sciences to purchase Methanol and Natural Gas Systems from HEC.

Algona, IOWA (May 31, 2011) — Hydrogen Engine Center, Inc. (Pink Sheet: HYEG) announced today it's working on definitive agreements for a marketing alliance between HEC and R3 Sciences, L.P. of Austin, Texas ("R3"). This Memorandum of Understanding is to pursue immediate customer opportunities. R3 has been developing a system that converts associated or stranded methane to methanol. Each of R3's Gas to Methanol Synthesis Units will require one 250 kW HEC engine generator and will produce enough methanol for another 750 kW.

The proposed terms and conditions for the Alliance are as follows:

R3 will have the exclusive right to market and sell HEC's methanol-burning engine technology globally for 3-years, followed by automatic renewals, provided certain reasonable agreed-upon conditions are met.

R3 will invest appropriate engineering time to determine the best method to integrate the Technology with R3's gas-to-liquids reaction technology. HEC will manage ongoing development of the Technology, and R3 will automatically be offered any such improvements developed by HEC during the term of the Agreement under the terms of the Alliance. R3 will have the right to buy, on a most favored nations pricing basis, engines and other technology from HEC for gaseous fuel engines, including without limitation ammonia, hydrogen, and natural gas. R3 will on a "Best Efforts" basis install one HEC 250 kW unit per month the first year following the installation of the first unit.

Trillions of cubic feet of valuable natural gas are flared around the world due to a lack of small, portable conversion technology. Many oil-producing regions produce what is generally referred to as "associated" natural gas. This associated natural gas is natural gas co-produced from what is primarily an oil production zone. When a surplus volume of low pressure gas is produced from oil fields it can be located quite a distance from a gas pipeline, or from a gas gathering system, leaving oil and gas operators with very few options other than to simply flare the surplus natural gas on location.

R3 expects to install thousands of these small portable gas-to-methanol units over the next few years, each requiring electrical power, enhancing a new market for HEC Oxx Power units.

About Hydrogen Engine Center, Inc.

Hydrogen Engine Center, Inc. designs and manufactures generation markets. The engines run efficiently, with minor adjustments, on hydrogen, ethanol, propane, natural gas or methanol. HEC trades on the Bulletin Board under the symbol "HYEG.PK." Its principal offices are located at 2502 East Poplar Street, Algona, IA 50511 Visit www.hydrogenenginecenter.com or call 515-295-3178 for more information.

About R3 Sciences

R3 Sciences, L.P., is commercializing patented micro-plant gas-to-liquids technology. R3 uses a low-temperature, low-pressure, liquid catalyst process to convert methane from natural gas, biomass, and other feedstock to methanol, DME, and other liquid fuels. Privately held, R3 is headquartered in Austin, Texas, with technical and operations center in Lafayette, Louisiana.

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