U.S. Securities and Exchange Commission
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2011

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission file number: **000-30415**

Health Enhancement Products, Inc.

(Exact name of small business issuer as specified in its charter)

Nevada	**87-0699977**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

7740 East Evans Road, Scottsdale, Arizona 85260
(Address of principal executive offices)

480-385-3800
(Issuer's telephone number)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by checkmark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted an posted pursuant to Rule 405 of regulation ST (Sec. 232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☒

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☒

Indicate by check mark whether the issuer is a shell company (as defined in Rule 12-b2 of the Exchange Act).
Yes ☐ No ☒

APPLICABLE ONLY TO CORPORATE ISSUERS

There were 95,071,693 shares of common stock, $0.001 par value, outstanding at May 18, 2011.

FORM 10-Q

HEALTH ENHANCEMENT PRODUCTS, INC.

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(Inapplicable items have been omitted)

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained in this report are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements involve known and unknown risks, uncertainties and other factors which may cause our or our industry's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements include, but are not limited to statements regarding:

- our ability to raise the funds we need to continue our operations;
- our goal to increase our revenues and become profitable;
- regulation of our product;
- our ability to expand the production of our product;
- market acceptance of our product;
- future testing of our product;
- the anticipated performance and benefits of our product and
- our financial condition or results of operations.

In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "could," "would," "expects," "plans," "anticipates," "believes," "estimates," "projects," "predicts," "potential" and similar expressions intended to identify forward-looking statements. These statements are only predictions and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by such forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, these forward-looking statements represent our estimates and assumptions only as of the date of this report. Except as otherwise required by law, we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this report to reflect any change in our expectations or any change in events, conditions or circumstances on which any of our forward-looking statements are based. We qualify all of our forward-looking statements by these cautionary statements.

PART I – FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

HEALTH ENHANCEMENT PRODUCTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET

	March 31, 2011 (Unaudited)	December 31, 2010
ASSETS		
CURRENT ASSETS:		
Cash	$ -	$ 15,603
Accounts receivable	2,558	-
Inventories	11,448	10,554
Prepaid Expenses	7,019	10,855
Total Current Assets	21,025	37,012
PROPERTY AND EQUIPMENT, NET	166,724	170,259
OTHER ASSETS:		
Definite-life intangible Assets, net	7,926	8,168
Deferred Finance Costs, net	54,359	-
Deposits	125,117	124,482
Total Other Assets	187,402	132,650
	$ 375,151	$ 339,921
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Cash Overdraft	$ 17,381	$ -
Accounts Payable	515,038	455,589
Customer deposits	-	25,194
Loan Payable, related party	12,216	12,000
Obligation to issue common stock and warrants	50,000	50,000
Deferred revenue	15,000	15,000
Convertible Debenture Payable, less Discount of $16,894 and $18,936 at March 31, 2011 and December 31, 2010	226,606	157,064
Current portion, long term debt	2,329	3,516
Accrued Payroll	28,952	32,892
Accrued Payroll Taxes	23,002	5,305
Accrued Liabilities	53,624	23,980
Total Current Liabilities	944,149	780,540
LONG TERM LIABILITIES:		
Convertible Debenture Payable, less Discount of $100,431 and $71,037 at March 31, 2011 and December 31, 2010	69,669	- 104,063
Deferred revenue, noncurrent	231,250	235,000
- Deferred rent expense	173,837	171,995
Total Long term Liabilities	474,756	511,058
COMMITMENTS AND CONTINGENCIES		
TOTAL LIABILITIES	1,418,905	1,291,598
STOCKHOLDERS' DEFICIT:		
Common stock, $.001 par value, 100,000,000 shares authorized 95,071,693 and 92,705,351 issued and outstanding at March 31, 2011 and December 31, 2010	95,072	92,705
Additional Paid-In Capital	25,858,656	25,485,816
Accumulated deficit	(26,997,482)	(26,530,198)
Total Stockholders' Deficit	(1,043,755)	(951,677)
	$ 375,151	$ 339,921

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

HEALTH ENHANCEMENT PRODUCTS, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the three Months ended March 31, 2011	For the three Months ended March 31, 2010
REVENUES:		
Net Sales	$ 32,579	$ 14,043
Licensing Fee	3,750	
Total Revenues	36,329	14,043
COSTS AND EXPENSES:		
Cost of Sales	39,529	3,620
Selling	5,112	26,237
General and Administrative	113,257	76,103
Professional fees and Consulting expense	199,406	768,030
Research and Development	106,911	102,989
Total Costs and Expenses	464,215	976,979
LOSS FROM OPERATIONS	(427,886)	(962,936)
OTHER INCOME (EXPENSE):		
Fair Value Adjustment of Derivative Liability	-	(4,464,607)
Amortization of Bond Discount	(35,149)	(62,745)
Amortization of Deferred Finance Costs	(3,348)	- -
Interest expense	898	(6,749)
Total Other Income (Expense)	(39,395)	(4,534,101)
NET LOSS	$ (467,281)	$ (5,497,037)
BASIC AND DILUTED LOSS PER SHARE	$ ($0.00)	$ ($0.07)
WEIGHTED AVERAGE BASIC AND DILUTED SHARES OUTSTANDING	94,020,542	79,224,793

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

HEALTH ENHANCEMENT PRODUCTS, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the Three Months Ended March 31, 2011 (Unaudited)	For the Three Months Ended March 31, 2010 (Unaudited)
Cash Flows for Operating Activities:		
Net Income (Loss)	$ (467,281)	$ (5,497,037)
Adjustments to reconcile net loss to net cash used by operating activities:		
Stock and warrants issued for services rendered	25,000	102,000
Amortization of prepaid consulting fees	-	39,662
Amortization of deferred finance costs	3,348	
Amortization of bond discount	35,148	62,745
Amortization of intangibles	242	241
(Decrease) in deferred revenue	(3,750)	
Depreciation expense	7,330	5,831
Fair value adjustment of Derivative Liability	-	4,464,607
Increase in deferred rent	1,839	7,435
Changes in assets and liabilities:		
(Increase) in accounts receivable	(2,558)	-
(Increase) in inventories	(894)	(15,800)
Decrease in prepaid expenses	3,836	2,003
(Increase) in security deposits	(635)	-
Increase (decrease) in accounts payable	59,446	(29,552)
(Decrease) in customer deposits	(25,194)	
Increase (decrease) in payroll and payroll taxes	13,757	(73,453)
(Decrease) in sales tax payable	(1,275)	-
Increase in accrued liabilities	30,922	16,082
Net Cash (Used) by Operating Activities	(320,718)	(915,236)
Cash Flows from Investing Activities:		
Capital expenditures	(3,795)	(2,152)
Net Cash (Used) by Investing Activities	(3,795)	(2,152)
Cash Flow from Financing Activities:		
Cash overdraft	17,381	
Proceeds of loan payable, related party	216	
Repayment of bank overdraft		(9,517)
Repayment of loans payable, other	-	(7,690)
Payments of other borrowings	(1,187)	(3,335)
Proceeds from issuance of convertible debentures	62,500	-
Increase in obligation to issue common stock	-	477,554
Proceeds from sale of common stock and exercise of warrants	230,000	671,729
Net Cash Provided by Financing Activities	308,910	1,128,741
Increase (Decrease) in Cash	(15,603)	211,353
Cash at Beginning of Period	15,603	-
Cash at End of Period	$ -	$ 211,353
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest	$ 3,780	$ 1,759
Income Taxes	$ 50	$ -

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

Supplemental Disclosure of Non-Cash Investing and Financing Activities:

Three Months Ended March 31, 2011:

During the quarter ended March 31, 2011, The Company issued convertible debentures for $62,500 in principal and recorded a discount on the debentures of $62,500. As an inducement to further invest in the Company, warrants were repriced from $.25 to $.15, resulting in deferred finance costs of $57,706 .

Three Months Ended March 31, 2010:

During the quarter ended March 31, 2010, $15,000 of convertible debentures and $121 in accrued interest were converted into 302,425 shares of common stock. The Company issued 750,000 shares of stock in satisfaction of an obligation to issue common stock in the amount of $352,500. The Company paid off a loan due a related party of $6,500 upon exercise of warrants to purchase common stock. In addition, the Company issued 50,000 shares upon exercise of warrants at $.10 per share. The exercise price was paid through forgiveness of indebtedness in the form of accounts payable. The Company recorded an obligation to issue 65,000 shares of common stock in payment of finder's fees and valued these shares at $36,400. The Company also issued 30,000 shares of common stock valued at $14,035 in payment of finder's fees. In addition, an obligation to issue 160,000 shares of common stock was recorded in payment of finder's fees. This stock was valued at $129,050. The Company also issued 500,000 shares of common stock valued at $160,000 in satisfaction of an obligation to issue common stock.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

NOTE 1 – BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements include the accounts of Health Enhancement Products, Inc. and its wholly-owned subsidiaries (collectively, the "Company"). All significant inter-company accounts and transactions have been eliminated in consolidation. In the opinion of the Company's management, the financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the information set forth therein. These consolidated financial statements are condensed, and therefore do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's December 31, 2010 consolidated audited financial statements and supplementary data included in the Annual Report on Form 10-K filed with the SEC on April 15, 2011.

The results of operations for the three months ended March 31, 2011 are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2011, or any other period.

The Company incurred net losses of $467,281 and $5,497,037 for the three months ended March 31, 2011 and 2010, respectively. In addition, the Company had a working capital deficiency of $923,124 and a stockholders' deficit of $1,043,755 at March 31, 2011. These factors continue to raise substantial doubt about the Company's ability to continue as a going concern. During the first three months of 2011, the Company raised $230,000 in net proceeds from the exercise of common stock warrants and $62,500 from the issuance of convertible debentures. There can be no assurance that the Company will be able to raise additional capital.

Although the Company recently signed an exclusive worldwide distribution agreement, there can be no assurance that sufficient funds required during the next year or thereafter will be generated from operations or that funds will be available from external sources such as debt or equity financings or other potential sources. The lack of additional capital resulting from the inability to generate cash flow from operations or to raise capital from external sources would force the Company to substantially curtail or cease operations and would, therefore, have a material adverse effect on its business. Furthermore, there can be no assurance that any such required funds, if available, will be available on attractive terms or that they will not have a significant dilutive effect on the Company's existing stockholders.

The accompanying condensed consolidated financial statements do not include any adjustments related to the recoverability or classification of asset-carrying amounts or the amounts and classifications of liabilities that may result should the Company be unable to continue as a going concern.

Certain reclassifications have been made to prior-year and prior period comparative financial statements to conform to the current year and period presentation. These reclassifications had no effect on previously reported results of operations or financial position.

NOTE 2 – INVENTORIES

Inventories at March 31, 2011 and December 31, 2010 consist of the following:

	March 31, 2011 (Unaudited)	December 31, 2010
Raw materials	$ 11,448	$ 5,650
Finished goods	-	4,904
	$ 11,448	$ 10,554

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2011 and December 31, 2010 consists of the following:

	March 31, 2011	December 31, 2010
	(Unaudited)	
Furniture and fixtures	$ 51,617	$ 51,617
Equipment	112,879	112,879
Leasehold improvements	147,434	143,639
	311,931	308,135
Less accumulated depreciation and amortization	(145,207)	(137,876)
	$ 166,724	$ 170,259

Depreciation and amortization was $7,330 and $5,831 for the three months ended March 31, 2011 and 2010 respectively.

NOTE 4 - DEFINITE-LIFE INTANGIBLE ASSETS

Definite-life intangible assets at March 31, 2011 and December 31, 2010 consist of the following:

	March 31, 2011	December 31, 2010
	(Unaudited)	
Patent applications pending	$ 14,500	$ 14,500
Less: Accumulated amortization	(6,574)	(6,332)
	$ 7,926	$ 8,168

The Company's definite-life intangible assets are amortized, upon being placed in service, over the 15 year estimated useful lives of the assets, with no residual value. Amortization expense for the three months ended March 31, 2011 and 2010 was $242 and $242, respectively. The Company estimates that amortization expense for existing assets for each of the next five years will be approximately $1,000 per year.

NOTE 5 – LOAN PAYABLE – RELATED PARTY

In April of 2010 the Company entered into a line of credit agreement with a significant shareholder. Under the terms of this line of credit agreement, the shareholder agreed to advance, upon request, a maximum of $675,000 as needed. The company's ability to draw from this line of credit expires April 24, 2011, and advances are to be repaid on or before April 24, 2012 with interest accrued at the rate of 7% annually. During 2010 the Company received advances totaling $299,700, and accrued interest totaling $4,209.During the quarter ended December 31, 2010, the Company issued an aggregate of 1,940,000 shares of common stock to the shareholder as follows: (i) 838,986 shares were issued upon exercise of outstanding warrants at an average exercise price of $.23 per share (the shareholder paid the exercise price by forgiving $188,898 in indebtedness owing to the shareholder), and 1,101,014 shares (valued at $374,344) were issued in full satisfaction of the approximately $110,000 in remaining principal amount plus accrued interest owing to this related party in connection with advances made to the Company. In connection with this loan repayment, the Company incurred finance charges of $259,293. As of March 31, 2011, there is a principal balance due of $12,000, and accrued interest totaling $212.

NOTE 6 – LONG TERM DEBT:

Long term debt consists of the following:

	March 31, 2011	December 31, 2010
Installment note, bearing interest at 8.8% per annum and due November 2011. The loan is secured by certain of the Company's equipment	(Unaudited) $ 2,329	$ 6,345
Less current portion	2,329	3,177
	$ -	$ 3,168

NOTE 7 – CONVERTIBLE DEBT

During the first quarter of 2011, the Company sold for aggregate consideration of $62,500, five 1% convertible notes of $12,500 each (Notes), and warrants to purchase 750,000 shares of common stock, at an exercise price of $.125 (Warrants) for a term of three years. The Convertible Notes accrue interest at the rate of 1% per annum, are non-amortizing, have a term of 3 years, subject to the Company's right to extend the term for an additional three years, cannot be prepaid, and are convertible, at any time prior to the maturity date, as the same may be extended, upon 75 days written notice of the holder, into shares of common stock, at a rate equal to $.125 per share. Accrued interest will be paid on the maturity date in shares of Common Stock, valued at $.125 per share, and, unless the Convertible Note is converted prior to its maturity date, the principal amount of the Note may be repaid in cash or converted into common stock at a rate equal to $.125 per share

The Company recorded a deferred debt discount in the amount of $62,500, to reflect the beneficial conversion feature of the convertible debt and fair value of the warrants pursuant to Emerging Issues Task Force ("EITF") 00-27: Application of EITF 98-5, "Accounting for Convertible Securities with Beneficial Conversion Features on Contingently Adjustable Conversion Rates", to certain convertible instruments. In accordance with EITF 00-27, the Company evaluated the value of the beneficial conversion feature and recorded the amount of $19,750 as a reduction to the carrying amount of the convertible debt and as an addition to paid-in capital. Additionally, the relative fair value of the warrants ($42,750) was calculated and recorded as a further reduction to the carrying amount of the convertible debt and as addition to paid-in capital. The Company is amortizing the debt discount over the term of the debt. Amortization of the debt discount was $6,273 for the three months ended March 31, 2011.

In addition, as an inducement to make this investment, the Company agreed to reprice 1,240,000 warrants, reducing the exercise price from $.25 to $.15. The Company incurred deferred finance costs of $57,707. These costs will be amortized over three years. For the three months ended March 31, 2011 the Company recognized $3,348 in deferred finance cost, and the balance of the finance costs, $54,359, was recorded in other assets.

Amortization of the debt discount on the remaining notes was $28,876 for the three months ended March 31, 2011.

Convertible debt consists of the following:	March 31, 2011 (Unaudited)	December 31, 2010
Convertible notes payable, net of unamortized discount of $120,191 and $130,060 respectively	$ 296,275	$ 261,127
Less: Current portion	226,606	157,064
Long term portion	$ 69,669	$ 104,063

NOTE 8 – OBLIGATION TO ISSUE COMMON STOCK

At March 31, 2011, the Company is obligated to issue, in the aggregate,400,000 shares of common stock at $.125 per share, to certain investors. We have recorded a liability in the amount of $50,000, representing payment made in advance on subscriptions.

NOTE 9 – DEFERRED REVENUE

The Company received a license fee of $255,000 during the fourth quarter of 2010. This license fee is being amortized over its useful life of 17 years. The Company recognized $5,000 in revenue during the year ended December 31, 2010, and has recognized $3,750 in revenue for the quarter ended March 31, 2011.

NOTE 10 - RELATED PARTY TRANSACTIONS

Line of Credit

In April of 2010 the Company entered into a line of credit agreement with a significant shareholder. Under the terms of this line of credit agreement, the shareholder agreed to advance, upon request, a maximum of $675,000 as needed. The company's ability to draw from this line of credit expires April 24, 2011, and advances are to be repaid on or before April 24, 2012 with interest accrued at the rate of 7% annually. During 2010 the Company received advances totaling $299,700, and accrued interest totaling $4,209.During the quarter ended December 31, 2010, the Company issued an aggregate of 1,940,000 shares of common stock to the shareholder as follows: (i) 838,986 shares were issued upon exercise of outstanding warrants at an average exercise price of $.23 per share (the shareholder paid the exercise price by forgiving $188,898 in indebtedness owing to the shareholder), and 1,101,014 shares (valued at $374,344) were issued in full satisfaction of the approximately $110,000 in remaining principal amount plus accrued interest owing to this related party in connection with advances made to the Company. In connection with this loan repayment the Company incurred finance charges of $259,293. As of March 31, 2011, there is a principal balance due of $12,000, and accrued interest totaling $212.

Office Space

We are leasing office and production space located in Scottsdale, Arizona from a significant shareholder, Howard Baer, pursuant to an Amended and Restated Sublease that expires on February 9, 2020, subject to our unilateral right to terminate the Lease on March 31, 2013. Under the original terms of the Amended and Restated Sublease, the annual base rent for the 15,000 square foot facility was approximately $237,000, payable in equal monthly installments of approximately $20,000. The annual base rent is subject to increase annually in an amount equal to the greater of 2.5% of the prior year's base rent and the percentage increase in the Consumer Price Index. We paid an additional security deposit of approximately $110,000. The Amended and Restated Sublease is a "net lease", which means that we are responsible for the real estate taxes, maintenance, insurance and repairs related to the premises we are leasing.

In October, 2009, we and Mr. Baer agreed in principle to (i) reduce from 15,000 to 11,000 the square footage of the space we are occupying and (ii) to reduce the base rent from $20,000 to $16,720 monthly (not including real estate taxes (currently $1,480 per month)). In addition, the lessor has assumed the responsibility for maintenance and repairs for the building and we are obligated to reimburse the lessor for 70% of such expenses. We incurred approximately $55,000 in rent expense during the first quarter of 2011.

NOTE 11 – LICENSE AGREEMENT

On September 2, 2010, the Company entered into a multi-year exclusive worldwide License Agreement ("Agreement") for its ProAlgaZyme ® product ("Product") with a distributor of health and nutritional products, Zus Health, LLC ("Zus") (this agreement was assigned by Zus to Ceptazyme, LLC (Zus' successor). Under the terms of the Agreement, Ceptazyme, LLC has the exclusive right to distribute the Product to customers and distributors worldwide, excluding pharmaceutical applications and food, supplement and medicinal ingredient applications outside of multi-level, network or affiliate marketing ("MLM"). The Company reserved the right to market and sell isolates and natural and synthetic derivatives of the Product in pharmaceutical applications, as well as ingredient applications outside of MLM. The Agreement prohibits the Company from selling ProAlgaZyme for the benefit of customers and distributors worldwide, other than for pharmaceutical and ingredient applications. The Company is also prohibited from selling any product in the MLM market. In Novenber, 2010,the Company received a payment of $255,000, as provided in the Agreement, for the exclusive distribution rights. $246,250 of this payment has been recorded as deferred revenue, and is being amortized over seventeen years,. Our receipt of minimum payments under the Ceptazyme, LLC Agreement is subject to among other conditions our product meeting the FDA's GRAS standard, which we are currently working on. The Agreement remains in effect until the expiration of the last patent with respect to the Product, subject to earlier termination as provided in the Agreement. The Company and Ceptazyme agreed to waive the minimum payment provisions with respect to the first quarter of 2011, while packaging issues were being resolved. We anticipate the packaging to be completed by May 15, 2011 at which time we will begin shipments under the contract.

NOTE 12 - STOCKHOLDERS' DEFICIT

During the quarter ended March 31, 2011, the Company issued 1,866,667 shares of common stock and received proceeds of $180,000 upon the exercise of warrants. In addition, the Company issued 400,000 shares of common stock and received proceeds of $50,000 from investors. Pursuant to a private placement, convertible debentures were issued during the quarter ended March 31, 2011, for which a discount of $62,500 was recorded, and warrants to purchase 1,240,000 shares of common stock were repriced, resulting in deferred finance costs of $57,706. Finally, the Company issued 100,000 shares of common stock for services, valued at $25,000.

A summary of the status of the Company's warrants is presented below.

	March 31, 2011		December 31, 2010	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	15,856,999	$ 0.17	22,723,401	$ 0.50
Issued	1,250,000	0.125	3,880,000	0.21
Exercised	(1,900,000)	0.10	(9,951,402)	0.13
Expired	(1,512,000)	0.10	(795,000)	0.50
Outstanding, end of period	13,694,999	$ 0.19	15,856,999	$ 0.17

Warrants outstanding and exercisable by price range as of March 31, 2011 were as follows:

	Outstanding Warrants			Exercisable Warrants	
Range of	Number	Average Weighted Remaining Contractual Life in Years	Exercise Price	Number	Weighted Average Exercise Price
$ .10	3,756,666	0.54	$ 0.10	3,756,666	$ .10
0.125	1,250,000	2.75	0.125	1,250,000	0.125
0.15	3,323,333	1.80	0.15	3,323,333	0.15
0.225	600,000	2.60	0.225	600,000	0.225
0.25	3,750,000	1.49	0.25	3,750,000	0.25
0.50	1,015,000	1.72	0.50	1,015,000	0.50
	13,694,999	1.48		13,694,999	$ 0.19

NOTE 12- COMMITMENTS AND CONTINGENCIES

Product Liability Insurance - We have only limited product liability insurance. If a product claim were successfully made against us, there could be a material adverse effect on our financial condition given our liquidity and cash limitations.

We are leasing office and production space located in Scottsdale, Arizona from a significant shareholder, Howard Baer, pursuant to an Amended and Restated Sublease that expires on February 9, 2020, subject to our unilateral right to terminate the Lease on March 31, 2013. Under the original terms of the Amended and Restated Sublease, the annual base rent for the 15,000 square foot facility was approximately $237,000, payable in equal monthly installments of approximately $20,000. The annual base rent is subject to increase annually in an amount equal to the greater of 2.5% of the prior year's base rent and the percentage increase in the Consumer Price Index. We paid an additional security deposit of approximately $110,000. The Amended and Restated Sublease is a "net lease", which means that we are responsible for the real estate taxes, maintenance, insurance and repairs related to the premises we are leasing.

In October, 2009, we and Mr. Baer agreed in principle to (i) reduce from 15,000 to 11,000 the square footage of the space we are occupying and (ii) to reduce the base rent from $20,000 to $16,720 monthly (not including real estate taxes (currently $1,480 per month)). In addition, the lessor has assumed the responsibility for maintenance and repairs for the building and we are obligated to reimburse the lessor for 70% of such expenses. We incurred approximately $55,000 in rent expense during the first quarter of 2011.

The Company was leasing, on a month to month basis, a warehousing and bottling facility. The lease calls for monthly rentals of $2,700, plus annual common area maintenance fees. Rent expense under this lease for the quarter ended March 31, 2011 was approximately $9,550. This building was vacated on April 1, 2011.

The future minimum lease payments related to the Amended and Restated Sublease, as revised in October 2009, are as follows:

Year Ending December 31,	
2011	$ 258,358
2012	281,063
2013	123,882
2014	48,156
	$ 711,459

Business Services Agreement

On October 19, 2009, the Registrant and Great Northern Reserve Partners, LLC ("GNRP") entered into a Business Services Agreement ("Agreement"), which supersedes the prior agreement between them entered into in February, 2009 ("February Agreement").

The Registrant entered into the Agreement to continue the pursuit of its strategic product and business development objectives. GNRP was issued 500,000 shares of the Registrant's Common Stock in connection with the execution of the Agreement, in full payment of any and all amounts owing under the February Agreement (approximately $142,000 per GNRP) and in recognition of GNRP's contribution to the achievement of recent product testing results. In addition, GNRP will be compensated based on hours expended, sales and other payments (licensing payments, etc.) received by the Registrant, and the achievement of specified milestones.

Workers' Compensation – The Company does not carry workers' compensation insurance, which covers on the job injury.

Guarantees – In May, 2010, we entered into an indemnity agreement under which we indemnified a significant stockholder,Howard Baer, for any liability incurred in connection with guarantying company obligations. We also issued Mr. Baer warrants to purchase 500,000 shares of common stock as compensation for prior loan guarantees he made with respect to company indebtedness. These warrants have an exercise price of $.15 (cashless) and a term of 3 years. The warrants were valued at $405,925 using the Black Scholes pricing model with the following assumptions: volatility 137.66%; annual rate of dividends 0%; discount rate 3.1%.

NOTE 13 – LOSS PER SHARE

Loss per common share is based upon the weighted average number of common shares outstanding during the period. Diluted loss per common share is the same as basic loss per share, as the effect of potentially dilutive securities convertible debt – (7,022,000 shares and warrants) and 13,694,999 shares at March 31, 2011 and convertible debt (6,922,000 shares and warrants) and 17,265,985 shares at March 31, 2010) are anti-dilutive.

NOTE 14 - SUBSEQUENT EVENTS

The Company signed a lease for a new facility. This lease is for 9,868 square feet of office/manufacturing space, is effective April 1, 2011 and is for a 42 month term. The monthly rental is $5,427 with annual increases of approximately 5%.

The Company's ability to draw against the $675,000 line of credit obtained in April of 2010 expired effective April 24, 2011. The Company is required to repay $12,216 plus any additional accrued interest prior to April 24, 2012.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The Securities and Exchange Commission ("SEC") encourages companies to disclose forward-looking information so that investors can better understand future prospects and make informed investment decisions. This report contains these types of statements. Words such as "may," "will," "expect," "believe," "anticipate," "estimate," "project," or "continue" or comparable terminology used in connection with any discussion of future operating results or financial performance identify forward-looking statements. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this report. All forward-looking statements reflect our present expectation of future events and are subject to a number of important factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

Critical Accounting Policies

The accompanying discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses, and related disclosure of contingent assets and liabilities. These estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We base our estimates and judgments on historical experience and all available information. However, future events are subject to change, and the best estimates and judgments routinely require adjustment. US GAAP requires us to make estimates and judgments in several areas, including those related to recording various accruals, income taxes, the useful lives of long-lived assets, such as property and equipment and intangible assets, and potential losses from contingencies and litigation. We believe the policies discussed below are the most critical to our financial statements because they are affected significantly by management's judgments, assumptions and estimates.

Results of Operations for the three months ended March 31, 2011 and 2010.

Net Sales. Net sales for the three months ended March 31, 2011 were $32,579 as compared to $14,043 for the comparable prior period. These sales reflect principally revenues from the distribution of our ProAlgaZyme® product. The increase in our revenue for 2011 is due to our exclusive distributorship agreement with Ceptazyme, LLC to distribute our product. In the fourth quarter of 2010 we received an initial licensing fee payment of $255,000 under the terms of this exclusive distributorship agreement. We recognized $3,750 in revenue from this licensing fee during the first quarter of 2011.

Although we anticipate the realization of increasing revenues from our exclusive distributorship agreement with Ceptazyme, LLC, our ability to realize any such increased revenue is dependent upon the satisfaction of certain conditions, including the expansion of our production capacity to meet increased product demand and our product's meeting the FDA's GRAS standard or receiving New Diet Ingredient ("NDI") status form the FDA, neither of which conditions we have satisfied as of this date, though we are working on meeting the GRAS standard. In addition, we are currently working on expanding our production capacity . However, we have encountered some difficulty in expanding our production capacity and meeting the GRAS standard, If we are unable to timely and sufficiently expand our production capacity and meet he GRAS standard (or NDI status), there will be a material adverse affect on our business, financial condition and results of operations.

Throughout 2010 and 2011, we were adversely impacted by a shortage of funds which has severely impeded our ability to market, test and expand the production of our ProAlgaZyme® product. Although we signed an exclusive distribution agreement in September of 2010, we intend to explore additional potential marketing opportunities, consistent with the limitations placed upon us by our exclusive distribution agreement with Ceptazyme, LLC. We believe that our ability to generate sales of the ProAlgaZyme® product will depend upon, among other things, expansion of our production capacity, further characterization of the product, identification of its method of action and further evidence of its efficacy, as well as advertising. The testing necessary to further characterize the product, identify its method of action and further substantiate its effectiveness is ongoing.

Cost of Sales. Cost of Sales was $39,529 for the three months ended March 31, 2011, as compared to $3,620 for the comparable prior period. Cost of Sales represents primarily costs related to raw materials, labor and the laboratory and controlled production environment necessary for the growing of the algae cultures that constitute the source of the biological activity of the ProAlgaZyme® product, and for conducting the necessary harvesting and production operations in preparing the product for sale. The increase in cost of sales for 2011 is due to an increase in overall production, combined with more efficient use of labor.

Research and Development Expenses. For the three months ended March 31, 2011, we incurred $106,911 on research and development expenses, as compared to $102,989 for the comparable period in 2010. These expenses are mainly comprised of costs associated with external research. Our research and development costs remain relatively stable as we work to complete the research begun in the first quarter of 2011. This research was initiated to further explore ProAlgaZyme®'s potential efficacy on the management of cholesterol levels. We have identified several potential bioactive compounds, but further research aimed at isolating the compound further is expected to be completed during the second half of 2011.

Selling and Marketing Expenses. Selling and marketing expenses were $5,112 for the three months ended March 31, 2011, as compared to $26,237 for the comparable prior period. The decrease in 2011 was due to the reclassification of wages paid to our Executive Vice President, combined with increased focus on research, resulting in our deemphacising marketing.

In the past we were only accustomed to nominal sales of our sole product, ProAlgaZyme. In September of 2010, we signed an exclusive distribution agreement to sell our product. This exclusive distribution agreement called for an initial licensing fee of $255,000 (received in October of 2010) and monthly orders which increase as our ability to produce product increases, subject to satisfaction of certain conditions, including satisfaction of the GRAS standard (or NDI status). An initial order of $51,100 was received in December of 2010. Due to several delays in the design of new packaging, this order was shipped in full during the month of April, 2011. We anticipate delivering additional orders beginning towards the end of the second quarter of 2011, with monthly increases in the minimums each month as production will allow and subject to satisfaction of the FDA's GRAS standard. See Note 11 to the financial statements.

We intend to explore additional third party distribution channels for our product, consistent with the limitations placed upon us by our exclusive distribution agreement with Ceptazyme, LLC. The limit on our ability thus far to advertise our product (due in part to the need for additional testing) has had and, until we are able to advertise our product based upon the results of "class of compound" testing and identification of the bioactive ingredient, will continue to have, a material adverse effect on sales revenue and operating results. We intend to continue to pursue clinical study of our product and, subject to the results of such testing, increase advertising in 2011, subject to availability of sufficient funding, which we do not currently have.

General and Administrative Expenses. General and administrative expense was $312,663 for the three months ended March 31, 2011, as compared to $844,133 for the comparable prior period. The decrease in general and administrative expense during 2011 is due primarily to an approximate $531,000 decrease in fees paid to consultants for product and business development , of which approximately $500,000 was in the form of stock based compensation, a non-cash expense.

Liquidity and Capital Resources

The unaudited condensed consolidated financial statements contained in this Quarterly Report have been prepared on a "going concern" basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. We have an immediate and urgent need for additional capital. For the reasons discussed herein, there is a significant risk that we will be unable to continue as a going concern, in which case, you would suffer a total loss of your investment in our company.

As of May 11, 2011, we had a cash balance of approximately $3,000. We have had only limited revenue ($36,329 for the three months ended March 31, 2011) and have incurred significant net losses since inception, including a net loss of $467,281 for the quarter ended March 31, 2011. Subject to our expanding our production capacity to meet increased product demand (for which we do not currently have sufficient capital) and our product's meeting the FDA's GRAS standard or receiving New Diet Ingredient ("NDI") status form the FDA, the revenue guaranteed to us under the exclusive distribution agreement is expected to contribute significantly to funding our normal operations. However, we have, since inception, consistently incurred negative cash flow from operations. During the quarter ended March 31, 2011, we incurred negative cash flows from operations of $320,718. As of March 31, 2011, we had a working capital deficiency of $923,124 and a stockholders' deficiency of $1,043,755. Although we recently raised a limited amount of capital, we have an immediate and urgent need for additional capital.

During the three months ended March 31, 2011, our operating activities used $320,718 in cash, a decrease of $594,518 from the comparable prior period. The approximate $595,000 decrease in cash used by operating activities was primarily attributable to the following (all of which are approximated): a $5 million decrease in net loss, an 87,000 change (increase) in accrued payroll/ payroll taxes and an 89,000 change (increase) in accounts payable, partially offset by a $4.5 million decrease in fair value adjustment of derivative liability (a non-cash expense) and a $77,000 decrease in stocks and warrants issued for services (also a non-cash expense).

Our financing activities generated $308,910, a $819,831decrease from the comparable prior period. The decrease in cash provided by financing activities was due primarily to a decrease in proceeds from sales of securities.

Although we raised a limited amount of capital during 2010 and the first quarter of 2011, we continue to experience a shortage of capital, which is materially and adversely affecting our ability to run our business. As noted above, we have been largely dependent upon external sources for funding. We have in the past had great difficulty in raising capital from external sources. Subject to our ability to expand our production capacity (for which we do not currently have sufficient capital) and meet the FDA's GRAS standard, our exclusive distribution agreement should generate revenue to help cover at least a portion of our normal operating expenses; however we will still be reliant upon external financing for the continuation of our research program. With the leasing of our new manufacturing and office facilities, we anticipate being able to increase our production as necessary to meet the minimum requirements called for in our distribution agreement, subject to having sufficient capital, which we do not currently have.

We estimate that we will require approximately $1,500,000 in cash over the next 12 months in order to fund our normal operations. In addition, we are seeking additional funding in the range of $500,000 to $1,000,000 to fund our research initiatives. Based on this cash requirement, we have an immediate and urgent need for additional funding. Historically, we have had great difficulty raising funds from external sources; however, we recently were able to raise a limited amount of capital from outside sources.

In addition, we have only limited product liability insurance. If a product claim were successfully made against us, there could be a material adverse effect on our financial condition given our liquidity and cash limitations.

Significant elements of income or loss not arising from our continuing operations

Except as set forth below, we do not expect to experience any significant elements of income or loss other than those arising from our continuing operation. For the three months ended March 31, 2011, we recognized $4,464,607 in expense for financial statement purposes based on the change in fair value of derivative liabilities as of March 31, 2011. We may incur income or expense in future periods arising out of changes in the fair value of derivative liabilities. See the section above captioned ***Fair Value Adjustment of Derivative Liability*** for further information.

Seasonality

Our product is directed to the improvement of the health of our consumers, and we do not expect that operating results will be affected materially by seasonal factors. In addition, ProAlgaZyme® is cultivated in a climate-controlled laboratory environment, not subject to seasonal growing effects or influences

Staffing

We have conducted all of our activities since inception with a minimum level of qualified staff. We currently do not expect a significant increase in staff.

Off-Balance Sheet arrangements

We have no off-balance sheet arrangements that would create contingent or other forms of liability.

Item 4T. Controls and Procedures

Management's Report on Disclosure Controls and Procedures. We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Securities Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Financial Officer, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, we recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as ours are designed to do, and we necessarily were required to apply our judgment in evaluating the cost-benefit relationship of possible changes or additions to our controls and procedures.

As of March 31, 2011, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive/principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934. Based upon that evaluation, our principal executive/principal financial officer concluded that our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, are effective in enabling us to record, process, summarize and report information required to be included in our periodic SEC filings within the required time period.

Changes in Internal control Over Financial Reporting. There have been no changes in our internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the quarter ended March 31, 2011, the Company issued 1,866,667 shares of common stock and received proceeds of $180,000 upon the exercise of warrants. In addition, the Company issued 400,000 shares of common stock and received proceeds of $50,000 from investors. During the quarter ended March 31, 2011, the Company issued (i) Convertible debentures in the principal amount of $62,500 (convertible into common stock at $.125 per share), and (ii) warrants to purchase 750,000 shares of common stock (at an exercise price of $.125 per share), all for for gross proceeds of $62,500. In addition, the company re-priced 1,240,000warrants from $.25 to $.15 per share to induce the convertible note investment. Finally, the Company issued 100,000 shares of common stock for services, valued at $25,000.

We believe that the foregoing transactions were exempt from the registration requirements under Rule 506 of Regulation D promulgated under the Securities Act of 1933, as amended ("the Act") or Section 4(2) under the Act, based on the following facts: there was no general solicitation, there was a limited number of investors, each of whom was an "accredited investor" (within the meaning of Regulation D under the "1933 Act", as amended) and was (either alone or with his/her purchaser representative) sophisticated about business and financial matters, each such investor had the opportunity to ask questions of our management and to review our filings with the Securities and Exchange Commission, and all shares issued were subject to restrictions on transfer, so as to take reasonable steps to assure that the purchasers were not underwriters within the meaning of Section 2(11) under the 1933 Act.

Item 5. Other Information

NONE.

Item 6. Exhibits

LIST OF EXHIBITS

Exhibit Number	Description
3.1	Articles of Incorporation of Health Enhancement Products, Inc., as amended(1)
3.2	Amended and Restated By-laws of the Company (2)
31.1*	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended
31.2*	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended
32.1	Certification of the Principal Executive Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of the Principal Financial Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(1) Filed as Exhibit 3.1 to the Registrant's Form 10K filed with the Commission on April 14, 2010 and incorporated herein by this reference.

(2) Filed as Exhibit 3.2 to the Registrant's Form 105B, filed with the commission on April 20, 2000 and incorporated by this reference.

*furnished herewith (all other exhibits are deemed filed)

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HEALTH ENHANCEMENT PRODUCTS, INC.

Date: May 19, 2011

By: */s/John Gorman*
Executive Vice President
Principal Executive and Financial Officer

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*furnished herewith (all other exhibits are deemed filed)

Exhibit 31.1

Certification Pursuant to pursuant to Rule 13a-14(a) or Rule 15d-14(a)
of the Securities Exchange Act of 1934, as amended

I, John Gorman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of the Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f))for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function).

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 19, 2011

/s/ John Gorman
John Gorman,
Executive Vice President

Exhibit 31.2

Certification Pursuant to pursuant to Rule 13a-14(a) or Rule 15d-14(a)
of the Securities Exchange Act of 1934, as amended

I, John Gorman certify that:

1. I have reviewed this Quarterly report on Form 10-Q of Health Enhancement Products, Inc. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The Registrants other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure the material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly through the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluations, and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 19, 2011

/s/ John Gorman
John Gorman, Executive Vice President

Exhibit 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(Subsections (a) and (b) of Section 1350,
Chapter 63 of Title 18, United States Code)

In connection with the Quarterly Report on Form 10-Q for the period ending March 31, 2011 of Health Enhancement Products, Inc., a Nevada corporation (the "Company"), as filed with the Securities and Exchange Commission (the "Report"), I, John Gorman, Executive Vice President of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350), that to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: May 19, 2011

/s/ John Gorman
John Gorman
Executive Vice President

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 HAS BEEN PROVIDED TO HEALTH ENHANCEMENT PRODUCTS, INC. AND WILL BE RETAINED BY HEALTH ENHANCEMENT PRODUCTS, INC. AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST

Exhibit 32.2

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(Subsections (a) and (b) of Section 1350,
Chapter 63 of Title 18, United States Code)

In connection with the Annual Report of Health Enhancement Products, Inc., a Nevada corporation (the "Company"), on Form 10-Q for the period ended March 31, 2011 as filed with the Securities and Exchange Commission (the "Report"), I, John Gorman, Chief Accounting Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350), that to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: May 19, 2011

/s/ John Gorman
John Gorman
Executive Vice President

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 HAS BEEN PROVIDED TO HEALTH ENHANCEMENT PRODUCTS, INC. AND WILL BE RETAINED BY HEALTH ENHANCEMENT PRODUCTS, INC. AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.