



Dynetek Industries Ltd. Announces First Quarter 2008 Results

Calgary, Alberta, Canada – May 13, 2008 – Dynetek Industries Ltd. (TSX:DNK), a leader in the design, manufacturing and marketing of proprietary fuel storage cylinders and systems for compressed natural gas (CNG) and hydrogen, today reported results for the three months ended March 31, 2008. The full unaudited consolidated financial statements and MD&A have been filed on SEDAR at www.sedar.com and on Dynetek's website at www.dynetek.com.

Financial Highlights

(tabular amounts in thousands of Canadian dollars, except share numbers and per share data)
(unaudited)

	Three months ended	
	2008	March 31 2007
Total Revenue	4,449	10,510
Income (loss) before taxes	(1,060)	247
Income (loss) before taxes per common share (basic and fully diluted)	(0.05)	0.01
Net Income (loss)	(1,060)	167
Net loss per common share (basic and fully diluted)	(0.05)	0.01
EBITDA ¹	(699)	910
Cash flow (deficiency) from operations after changes in non-cash working capital	(646)	2,119
Capital expenditures	78	288
Cash and cash equivalents	6,066	1,366
Non-cash working capital ¹	10,237	11,150
Total Assets	43,181	47,437
Operating bank line	-	280
Long-term debt and capital leases	7,297	2,120
Common shares outstanding	20,936,500	20,940,451
Weighted average number of common shares outstanding	20,936,500	20,940,451

(1) EBITDA and non-cash working capital are non-GAAP financial measures. Dynetek defines EBITDA as earnings before interest, taxes, stock based compensation, non-cash foreign exchange, depreciation, and amortization. Dynetek defines non-cash working capital as current assets after cash less current liabilities. Dynetek believes that these non-GAAP financial measures provide investors and analysts with useful information so that they can better understand the financial results and perform a better analysis of Dynetek's growth and profitability potential.

OPERATIONAL HIGHLIGHTS

In the Outlook section of the MD&A for the year ended December 31, 2007, Dynetek indicated that it expected to incur a loss and negative EBITDA¹ in Q1 and Q2 2008, due to the slowdown in the demand for its products resulting from the postponement of public bus manufacturing in Europe.

In the first three months of 2008, Dynetek achieved total revenues of \$4.4 million, a decrease of 58% compared to \$10.5 million for the same period of 2007. Cylinder and system sales for the three months ended March 31, 2008 were \$3.2 million, a decrease of 66% compared to \$9.3 million for the same period of 2007. For the three months ended March 31, 2008 the Company achieved research and development revenue of \$1.2 million, an increase of 33% compared to \$0.9 million for the same period of 2007. The Company recorded cash flow deficiency from operations of (\$0.6) million for the three months ended March 31, 2008, compared to cash flow from operations of \$2.1 million for the same period of 2007. The Company had negative EBITDA¹ of (\$0.7) million for the three months ended March 31, 2008, compared to positive EBITDA¹ of \$0.9 million for the three months ended March 31, 2007. Dynetek reported a loss of (\$1.1) million for the three months ended March 31, 2008, compared to net income of \$0.2 million for the comparable period of 2007. As at May 7, 2008 the Company had a confirmed revenue backlog of \$14.4 CAD for cylinder and system sales and research and development projects for delivery within the next twelve months.

The Company continues to focus its compressed natural gas cylinder and system sales in areas such as California and Europe. Dynetek's proprietary technology provides advantages such as less weight, more compressed natural gas on board and less operating costs, being the value proposition we offer our customers that our competitors cannot provide. In the first three months of 2008, Dynetek's European operations achieved cylinder and system sales of \$2.4 million (2007 - \$5.8 million). The cylinder and system sales from the Canadian operations for the three months ended March 31, 2008 were \$0.8 million (2007 - \$3.5 million).

Dynetek's research and development team continues to focus its efforts on compressed hydrogen and related storage requirements. During the first three months of 2008 the Company continued to work with 9 different OEMs, including Ford, Hyundai, Volkswagen, Daimler and Nissan, to design, manufacture and deliver the hydrogen storage solution on 13 confidential development programs.

In April of 2008 Dynetek announced it has received an order to deliver 10 hydrogen storage systems to ISE Corporation for the Hydrogen powered buses bound for London, England. These buses are part of the Mayor of London's plan to have up to 70 hydrogen vehicles in operation in London by 2010, as set out in the London Hydrogen Partnership's Transport Action Plan. Dynetek is providing its latest generation state of the art 350bar (5000psi) compressed hydrogen fuel storage system, using advanced materials for maximum weight savings. The Company will also supply its certified 350bar solenoid tank valve technology.

In the first three months of 2008 Dynetek continued to provide deliverables under the milestones for the contract with Magna Steyr in connection with Daimler's automotive fuel cell program. The program involves the development, certification and supply of 700bar compressed hydrogen fuel storage systems, including related engineering, to Magna Steyr in connection with Daimler's fuel cell program.

OUTLOOK

The Company remains committed to continuing to grow its CNG and Hydrogen revenue streams globally through targeted marketing initiatives.

In 2008, the Company expects to increase its focus on revenue growth opportunities worldwide in the CNG market for bus and heavy-duty truck applications and for bulk hauling of larger quantities of compressed gas. Major economic and environmental factors worldwide are contributing to high-growth in natural gas demand for vehicles as follows:

- The high growth rate in demand for natural gas stems from the comparative advantages of natural gas compared to diesel, gasoline and bio-fuels;
- Natural gas is cleaner with less toxic emissions than diesel or gasoline and is currently less costly;
- A growing natural gas infrastructure. Continuing investment in infrastructure is adding to the number of compressed natural gas refueling centers; and
- CNG will continue to develop as a transportation fuel as it currently is less costly than oil based fuels which are also becoming supply constrained in developing economies.

The above trends and related market opportunities are expected to create a positive intermediate and longer-term outlook for Dynetek. The Company is currently reviewing strategies to grow the compressed gas system revenue and is evaluating additional product development and sales in order to penetrate price sensitive markets that are actively developing CNG as a transportation fuel. To accomplish this product development and market penetration, the Company will also be evaluating strategic alliances, new joint ventures, new partners and customers, licensing arrangements, new manufacturing techniques and additional product offerings. The Company is committed to change where appropriate to attain its goals of revenue growth and net income.

In the area of bulk hauling, the Company's prime focus will be in markets with access to an abundance of natural gas, where storage technology and pipeline infrastructure are lacking. The Company has already obtained US Department of Transportation (DOT) and Transport Canada (TC) certification for its 223bar bulk hauling system and in 2008, the Company has made an application to receive DOT approval to sell its 450 bar bulk systems in the US which should help it with penetrating the mobile bulk hauling storage market in 2008 and beyond.

Dynetek expects to incur a loss and negative EBITDA in Q2 of 2008 due to a slowdown in the demand for its products, specifically a postponement of public transit bus manufacturing in Europe. Currently Dynetek is seeing an increase in customer enquiries and expects to see an increase in bid submissions in Q2 2008. The Company will continue to manage its costs responsibly and improve production efficiencies where possible. For the second quarter, the Company has reduced production staff to core levels, reduced executive compensation and continues to review supplier alternatives.

The Company will continue to develop its hydrogen storage technologies to assist in commercializing the hydrogen economy. This includes working with OEMs to implement their hydrogen vehicle strategies and sales to energy-related companies that require mobile refueling units, stationary storage for refueling, and bulk hauling of hydrogen.

In 2008 Dynetek expects to substantially complete the contract with Magna Steyr in connection with Daimler's automotive fuel cell program. In 2007 Dynetek saw an increase in activity in the hydrogen vehicle market and continues to work with Natural Resources Canada (NRCan) and 9 different Original Equipment Manufacturers (OEMs), including Ford, Hyundai, Daimler, Volkswagen and Nissan, to design, manufacture and deliver hydrogen storage solutions on 13 different confidential development programs.

ABOUT DYNETEK

Dynetek Industries Ltd. designs, produces and markets one of the lightest and most advanced fuel storage and refueling systems for compressed natural gas, low emission vehicles and compressed hydrogen, zero-emission fuel cell vehicles. Dynetek is recognized around the world for its solutions-of-choice to the alternate fuel vehicle sector, evidenced by strategic relationships with major manufacturers around the globe. Dynetek is listed on the Toronto Stock Exchange, symbol: DNK

FORWARD LOOKING STATEMENTS

In addition to historical information, this news release contains forward-looking statements and should be read in conjunction with the financial statements and related notes for the year ended December 31, 2007 and quarterly interim financial statements for 2008. Forward-looking statements are based upon current assumptions, expectations and estimates that involve a number of risks and uncertainties and actual results could differ materially from those discussed in the forward-looking statements. Readers are encouraged to review the section in the Management's Discussion and Analysis titled 'Principal Risks and Uncertainties' for a discussion of factors that could affect Dynetek's future operations and financial results. Forward-looking statements are based upon management's assumptions, expectations and estimates at the time the statements are made. Dynetek does not update forward-looking statements should circumstances or management's assumptions, expectations or estimates change, except where required by securities laws.

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