



DYNETEK REPORTS 2006 FOURTH QUARTER AND YEAR END RESULTS

Calgary, Alberta, Canada – March 22, 2007 – 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 and the twelve months ended December 31, 2006.

Financial Highlights

- Revenues from cylinder and systems sales for the twelve months ended December 31, 2006 of \$35.9 million increased \$12.4 million or 53% compared with the twelve months ended December 31, 2005.
- Revenues from cylinder and system sales for the three months ended December 31, 2006 of \$11.3 million increased \$5.4 million or 92% compared with the same period of 2005.
- Confirmed order book in excess of \$29.0 million as at December 31, 2006 to be delivered in 2007.
- Twelfth consecutive quarter of positive EBITDA¹.
- Cash flow from operations for the year ended December 31, 2006 was \$1.1 million.

Christian Rasche, President and Chief Executive Officer, noted that the increase in fourth quarter revenues reflects shipments which were deferred from the second and third quarters due to delivery delays in raw materials. As noted in Dynetek's second quarter 2006 report, heavy rains and flooding shut down the manufacturing plant of a key raw material supplier and prevented it from delivering for a period of time. Although Dynetek has worked closely with the supplier to overcome past delivery issues, many shipments by Dynetek of cylinders and systems were delayed from the second and third quarters into the fourth quarter. Normally Dynetek ships its products by sea at low cost. In order to maintain market leadership and customer needs, Dynetek incurred unexpected airfreight costs of approximately \$1.3 million and additional labour and overtime costs of approximately \$0.2 million in order to fill our European orders by year end. Dynetek continued to airfreight its products overseas until mid February 2007, at which time it resumed shipping by sea at lower cost.

"2006 was a tremendous year for cylinders and system sales for Dynetek," commented Mr. Rasche. "In Europe we experienced a 54% increase in our CNG cylinder and system sales from one year ago. Our Canadian operation also saw a 53% increase in cylinder and system sales."

"We were frustrated in 2006 with our raw material supply and the difficulties it caused in our ability to deliver to our customers," said Mr. Rasche. "Without the additional airfreight expense and labour costs, Dynetek would have been profitable."

Year in Review

- Total revenue for the twelve months ended December 31, 2006 of \$38.4 million compared to \$26.7 million for the same period of 2005.
- Total revenues for the three months ended December 31, 2006 of \$12.1 million, which is \$5.3 million or 78% increase compared to the same period of 2005.
- Cylinder and system sales for the European operations for the twelve months ended December 31, 2006 were \$22.8 million representing an increase of \$8.0 million or 54% compared to 2005.
- Cylinder and system sales for the Canadian operations for the twelve months ended December 31, 2006 were \$13.1 million representing an increase of \$4.4 million or 51% compared to 2005.
- Contribution margins decreased from 23% in fourth quarter of 2005 to 16% in the comparative fourth quarter for 2006, and from 25% for the year ended December 31, 2005 to 21% for the year ended December 31, 2006, primarily due to abnormal airfreight costs as noted above.

(1) Earnings before interest, taxes, non-cash foreign exchange, impairment of other assets, stock based compensation, depreciation and amortization (EBITDA) is a non-GAAP measure and may not be comparable to similar measures used by other companies. Management believes EBITDA is a useful measure to assist in the assessment of Dynetek's ability to generate cash flows from its operations.

- Cash flow from operations for the fourth quarter ended December 31, 2006 was \$1.8 million compared to \$1.3 million for the same period of 2005.
- Dynetek's Canadian operation delivered 27 bulk transportation modules, representing revenue of \$4.6 million, to John Thompson Engineering PTY, a division of Burns and Roe Worley, located in Sydney, Australia. Dynetek's BT modules are being used to transport compressed natural gas (CNG) to a power plant located in Western Australia.
- Signed a letter of intent with Delphi Automotive Systems Do Brazil LTDA. ("Delphi SA"). Delphi SA is a wholly owned subsidiary of Delphi Corp., of Troy, Michigan. The letter of intent records the intention of Dynetek and Delphi SA to negotiate a commercial agreement to establish an exclusive distributorship arrangement and the prospect for a manufacturing plant in Brazil for the production of DyneCell cylinders for CNG in transit bus and automotive applications into the South American market.
- Signed a sub-project agreement with ATF Advanced Technologies & Fuels Canada Inc. (ATFCAN), to supply six CNG fuel storage systems, including related engineering and on the ground support, to Tata Motors Limited of India.
- Supplied the on-board hydrogen fuel storage systems to Ford Motor Company for the first three hydrogen powered vehicles delivered December 7th to Parliament Hill in a unique pilot project to test the vehicles in real-life conditions. Dynetek is providing its certified 350bar (5000psi) storage solution for these hydrogen fueled internal combustion engines.
- Moved the Dynetek Europe operation to a larger facility and along with additional production equipment increased manufacturing capabilities.

In early 2007 Dynetek announced that it had accepted a purchase order representing approximately \$7 million (CAD) in sales with Magna Steyr, an operating unit of Magna International Inc. The purchase order involves the development, certification and supply of 700bar compressed hydrogen fuel storage systems, including related engineering, to Magna Steyr in connection with DaimlerChrysler's fuel cell program. Dynetek will commence delivery of storage systems for system and vehicle testing in the later part of 2007.

Additional information relating to Dynetek

Additional information concerning Dynetek is available on SEDAR at www.sedar.com.

Dynetek Industries Ltd. is a leading international company engaged in the design, manufacturing and marketing of fueling systems and high-pressure components including valves and regulators. The key component of the storage system is the DyneCell[®] cylinder, capable of storing high pressure gases including compressed natural gas (CNG), hydrogen, and various industrial gases. Dynetek's cylinder and fuel storage systems applications include but are not limited to: the transportation industry, including passenger automobiles, light and heavy-duty trucks, transit and school buses; the bulk hauling of compressed gases; and stationary storage or ground storage refueling applications.

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, 2006. 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 law.

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Dynetek Industries Ltd.
Consolidated Balance Sheets

(thousands of Canadian dollars)
(unaudited)

	December 31 2006	December 31 2005
ASSETS		
Current assets		
Cash and cash equivalents	2,030	2,809
Accounts receivable	8,246	6,516
Inventory	11,859	10,392
Prepaid expenses	696	719
	22,831	20,436
Intangible assets and deferred costs	5,917	5,054
Capital assets	17,263	16,216
Future income tax	2,355	2,505
	48,366	44,211
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	7,891	5,145
Operating bank line	2,650	-
Current portion of long-term debt	185	137
	10,726	5,282
Long-term debt	1,293	1,341
SHAREHOLDERS' EQUITY		
Share capital	52,433	52,432
Contributed surplus	2,391	2,182
Deficit	(18,477)	(17,026)
	36,347	37,588
	48,366	44,211

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

(thousands of Canadian dollars except share capital and per share amounts)
(unaudited)

	Three months ended		Year ended	
	December 31		December 31	
	2006	2005	2006	2005
REVENUE				
Sales	11,334	5,858	35,932	23,521
Research and development	771	603	2,409	2,841
Investment and other income	14	317	84	397
	12,119	6,778	38,425	26,759
EXPENSES				
Cost of goods sold	9,513	4,538	28,454	17,648
General and administrative	1,293	1,002	4,045	3,464
Research and product development	650	461	2,210	2,773
Marketing	509	546	1,859	1,703
Interest	62	-	84	-
Depreciation	698	328	1,757	1,223
Amortization of intangible assets and deferred costs	320	139	811	476
Foreign exchange loss	75	258	297	983
Stock based compensation	56	105	209	399
Impairment of other assets	-	-	-	535
	13,176	7,377	39,726	29,204
Loss before income taxes	(1,057)	(599)	(1,301)	(2,445)
PROVISION FOR TAXES				
Future income taxes	150	-	150	-
	150	-	150	-
NET LOSS	(1,207)	(599)	(1,451)	(2,445)
Deficit, beginning of period	(17,270)	(16,427)	(17,026)	(14,581)
DEFICIT, END OF PERIOD	(18,477)	(17,026)	(18,477)	(17,026)
Per Share Information				
Net loss per share (basic and diluted)	(0.06)	(0.03)	(0.07)	(0.12)
Weighted average number of common shares outstanding	20,940,295	20,793,601	20,940,295	20,793,601



CONSOLIDATED STATEMENT OF CASH FLOWS

(thousands of Canadian dollars)
(unaudited)

	Three months ended		Year ended	
	December 31		December 31	
	2006	2005	2006	2005
Cash flows provided by (used for) operating activities				
NET LOSS	(1,207)	(599)	(1,451)	(2,445)
Items not involving cash				
Depreciation	698	328	1,757	1,223
Amortization of intangible assets and deferred costs	320	139	811	476
Stock based compensation	56	105	209	399
Impairment of other assets	-	-	-	535
Future income tax	150	-	150	-
Unrealized foreign exchange loss	(282)	43	(280)	597
	(265)	17	1,196	785
Changes in non-cash working capital				
Accounts receivable	(876)	644	(1,730)	1,894
Inventory	1,150	(209)	(1,467)	(901)
Prepaid and other	(362)	(382)	23	(104)
Accounts payable and accrued liabilities	1,934	1,307	2,746	758
Unrealized foreign exchange (loss) in non-cash working capital	173	(36)	200	(392)
Cash flow from operations (deficiency)	1,754	1,340	968	2,040
INVESTING ACTIVITIES				
Additions to intangible assets and deferred costs	(649)	(426)	(1,674)	(1,328)
Additions to capital assets	(861)	(355)	(2,804)	(1,588)
Unrealized foreign exchange gain (loss) in investing activities	-	-	-	19
	(1,510)	(781)	(4,478)	(2,897)
FINANCING ACTIVITIES				
Exercise of options	-	-	1	30
Settlement of long-term debt	-	(298)	-	(298)
Operating bank line	475	-	2,650	-
	475	(298)	2,651	(268)
Foreign exchange gain (loss) on cash held in a foreign currency	109	(7)	80	(205)
Increase (decrease) in cash and cash equivalents	828	254	(779)	(1,330)
Cash and cash equivalents, beginning of period	1,202	2,555	2,809	4,139
Cash and cash equivalents, end of period	2,030	2,809	2,030	2,809

Corporate Information

Board of Directors

Heinz O. Portmann
Chairman of the Board
Dynetek Industries Ltd.
Calgary, Alberta

Andrew T.B. Stuart †
President and Chief Executive Officer
Sustainability Shift Inc
Toronto, Ontario

Peter A. Leus †√
Director
Starlaw Holdings Ltd.
Montreal, Quebec

Michael J. Lang* †
Chairman
Stonebridge Merchant Capital Corp.
Calgary, Alberta

Larry A. Wright* √
Executive Vice President
Multimatic Inc
Markham, Ontario

William K. Kovalchuk*
President
Claret Asset Management Corp.
Montreal, Quebec

Robb D. Thompson
Vice President Finance and CFO
Berkana Energy Corp.
Calgary, Alberta

Dr. Christian Rasche
President and Chief Executive Officer
Dynetek Industries Ltd.
Witten, Germany

* Audit Committee member

† Compensation Committee member

√ Corporate Governance Committee member

Officers and Management

Heinz O. Portmann
Chairman of the Board

Dr. Christian Rasche
President and Chief Executive Officer

Michael D. Portmann
Vice President and General Manager

Ulrich Imhof
Vice President, Engineering

Karen Y. Minton
Vice President, Finance and CFO

Norman E. Hall
Corporate Secretary

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Auditors
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Legal Counsel
Gowling Lafleur Henderson LLP
Calgary, Alberta

Transfer Agent and Registrar
CIBC Mellon Trust Company
with offices in Toronto,
Montreal and Calgary

Stock Listing
Toronto Stock Exchange
Trading Symbol: DNK

Investor Relations

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