



Dynetek Industries Ltd. Announces Establishment of Indian Joint Venture

Calgary, Alberta, Canada – December 11, 2011 – Further to its press release dated September 21, 2010, Dynetek Industries Ltd. ("Dynetek" or "Company") is pleased to announce that it has executed a shareholders agreement with S.V. Greentech Private Limited ("S.V. Greentech"), an affiliate of S.V. Energy Partnership ("S.V. Energy") to form Dynetek Cylinders India Pvt. Ltd. ("DNK India"), an Indian joint venture 49% owned by Dynetek and 51% owned by S.V. Greentech.

In exchange for its 51% interest, S.V. Greentech will invest the capital necessary for DNK India to establish a winding and systems assembly facility near Mumbai, India and fund the initial working capital requirements of DNK India. The facility is expected to be operational by the end of the second quarter of 2012 and will replicate the operations of Dynetek's German subsidiary. Liners will continue to be sourced from Dynetek on an exclusive basis and shipped to DNK India for cylinder winding and final system manufacture and assembly. Pending establishment of the DNK India facility, Dynetek will manufacture and provide cylinders and systems to DNK India to meet initial demand. Once sufficient sales volumes have been achieved by DNK India, a liner production facility may be established in India.

Mr. Douglas Pigot, Executive Chairman of the Board of Directors of Dynetek commented, "We are excited about the opportunity to capitalize on our first-mover advantage in India. Dynetek remains the only Type III manufacturer with systems certified for sale in India. Prototype systems have been provided to several leading municipal bus operators with very encouraging results that highlight the performance and long-term life cycle economic advantages of our Type III product over the currently used Type I alternatives."

Mr. Amit Shah, Director of S.V. Greentech commented, "We see a great future for Dynetek's products in India where demand for CNG fueling and bulk transportation systems continues to grow at an accelerating rate."

CNG (Compressed Natural Gas) Systems Applications for Buses in the Indian Market

In India, the use of natural gas vehicles and the associated infrastructure are well established. According to "Worldwide NGV Statistics" published in the 2011 issue of *The GVR*, India ranks 5th in the world for total natural gas vehicles with over 1 million vehicles powered by natural gas. Management estimates the Indian market for lightweight cylinders will expand due to the increasing number of city gas distribution systems, a preferential natural gas pricing policy, stricter emission regulations and government funding of CNG fueled fleet additions.

ABOUT DYNETEK

Dynetek is a leading participant in the global clean technology space and in the design and manufacture of proprietary fuel storage systems. Dynetek 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 or information ("forward-looking statements") and should be read in conjunction with the financial statements and related notes for the year ended December 31, 2010 and quarterly interim financial statements for 2011. In particular, and without limitation, this news release contains forward-looking statements regarding, among other things: the development and operation of the winding and systems assembly plant, the exclusive sourcing of liners, the establishment of an Indian liner production facility and the increase in vehicles powered by CNG and the growth in the market for lightweight cylinders. Forward-looking statements are not based on historical facts, but rather reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. The use of any of the words "plan", "expect", "project", "intend", "believe", "should", "anticipate", "estimate" or other similar words, or statements that certain events or conditions "may" or "will" occur are typically intended to identify forward-looking statements.

With respect to the forward-looking statements contained herein, assumptions have been made with respect to: industry demand; expectations regarding clean technology adoption rates; the impact of governmental regulatory regime; government funding for clean technology initiatives; and the economic condition in Canada, India and globally. Since forward-looking statements address future events and conditions, by their nature they involve inherent risks and uncertainty that may cause actual events to differ from those set out in the Forward-looking Statements contained herein, including without limitation, risks associated with: the failure to realize the benefits of the Indian joint venture; changes in the economic conditions in Canada, India and globally; volatility in commodity prices and exchange rates; changes in government regulation and government funding levels; decrease in demand for cylinders; the discontinuing of research and development contracts; development of a Type 4 cylinder; and, Dynetek's expansion into the Asia Pacific market. The Company cautions that the foregoing list of assumptions, risks and uncertainties is not exhaustive. 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. The 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. Although Dynetek believes that the expectations and assumptions reflected in such forward-looking statements are reasonable, undue reliance should not be placed on forward-looking statements because Dynetek can give no assurance that such expectations and assumptions will prove to be correct.

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