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Dynetek Industries Ltd. Announces Potential Sale of Company

Calgary, Alberta, Canada – December 12, 2011 – Dynetek Industries Ltd. ("Dynetek") (TSX: DNK) is pleased to announce it has entered into an agreement and certain non-binding letters of intent with respect to a series of four proposed transactions, which, among other things, may result in the acquisition of all of the issued and outstanding shares of Dynetek by S.V. Greentech Private Limited ("S.V. Greentech") and collectively with its affiliates, financial investors and strategic partners, the ("S.V. Group"), or an affiliate thereof, for a purchase price of \$0.36 per share.

Purchase Order

Dynetek has executed a binding purchase order with S.V. Greentech pursuant to which S.V. Greentech will purchase \$431,617 of liner inventory from Dynetek. S.V. Greentech will use this liner inventory to assist in the startup of Dynetek India Pvt Ltd. ("Dynetek India"). Dynetek India is the joint venture company established by Dynetek and S.V. Greentech to manufacture and supply Dynetek cylinders and systems to India, Pakistan, Nepal, Bangladesh and Sri Lanka. This transaction is expected to close on or about December 19, 2011.

Asset Sale

Dynetek has executed a non-binding letter of intent with S.V. Greentech to sell certain non-core liner manufacturing equipment (the "Assets"), currently used for the production of single port liners, to S.V. Greentech for a purchase price of \$1,250,000 (the "Asset Sale"). The completion of the Asset Sale will be subject to certain terms and conditions including, but not limited to: the completion of due diligence on the assets by S.V. Greentech; the negotiation and settlement of a definitive binding agreement and related documents with respect to the Asset Sale; and the completion of an appraisal of the Assets. A definitive agreement with respect to the Asset Sale is expected to be executed on or before December 30, 2011 with financial close expected on or before June 30, 2012.

Private Placement

Dynetek has executed a non-binding letter of intent with S.V. Greentech pursuant to which the S.V. Group, will purchase, on a private placement basis, 2,075,000 common shares of Dynetek at a price of \$0.36 per common share for aggregate gross proceeds of \$747,000 (the "Private Placement"). The completion of the Private Placement will be subject to certain terms and conditions including, but not limited to: the completion of due diligence by S.V. Group; the negotiation and settlement of a definitive binding agreement with respect to the Private Placement; and the receipt of all regulatory approvals, including the approval of the Toronto Stock Exchange (the "TSX"). A definitive agreement with respect to the Private Placement is expected to be executed on or before December 30, 2011 and the closing is expected to occur on or about January 6, 2012.

Acquisition of Dynetek

Dynetek has executed a non-binding letter of intent with S.V. Greentech pursuant to which S.V. Group, will acquire all of the issued and outstanding common shares of Dynetek, excluding any shares held by the S.V. Group pursuant to the Private Placement, for cash consideration of \$0.36 per share (the "Acquisition"). The Acquisition is expected to be completed by way of a plan of arrangement under the *Business Corporations Act* (Alberta). The completion of the proposed Acquisition will be subject to certain terms and conditions including, but not limited to: the completion of satisfactory due diligence by the S.V. Group; the approval by (a) the board of directors of S.V. Group, (b) the holders of common shares of Dynetek representing at least 66 2/3% of votes cast in person or by proxy at a meeting of Dynetek shareholders to be held to approve the Acquisition (the "Meeting"), (c) the Court of Queen's Bench of Alberta, and (d) appropriate government, regulatory and other authorities. A definitive agreement with respect to the

Acquisition is expected to be executed on or before January 13, 2012, with the closing expected to occur on or before May 31, 2012. If the parties decide to proceed with the Acquisition, an information circular in respect of the Meeting is expected to be mailed by Dynetek to shareholders in April 2012.

In connection with the non-binding letter of intent for the Acquisition, and subject to the completion of the aforementioned Purchase Order, Asset Sale and Private Placement, Dynetek has agreed, subject to certain conditions, that it will not solicit or initiate discussions regarding any other business combinations or sale of material assets.

Mr. Douglas Pigot, Executive Chairman of the Board of Dynetek stated, "The potential acquisition of Dynetek by the S.V. Group provides shareholders with liquidity and an opportunity to maximize value in a challenging market. It provides Dynetek with a strong financial partner that can continue to invest in the product and market development necessary to take advantage of growing clean technology opportunities."

There is no binding obligation on either S.V. Greentech or Dynetek to complete the Asset Sale, the Private Placement or the Acquisition. As a result, and as a result of the various other risk factors noted herein, the Asset Sale, the Private Placement and the Acquisition may not be completed on the terms currently expected or at all. See "Forward Looking Statements" below for further information on the risk factors related to the transactions described herein.

ABOUT DYNETEK

Dynetek Industries Ltd. is a leading participant in the global clean technology space and a leader 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's common shares are listed on the TSX under the symbol "DNK".

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FORWARD LOOKING STATEMENTS

In addition to historical information, this news release contains forward-looking statements or information ("forward-looking statements") as defined by applicable securities laws 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 this news release contains, without limitation, forward-looking statements regarding the closing of the Purchase Order, Asset Sale, Private Placement and Acquisition; the satisfactory completion of due diligence by the S.V. Group; the execution of definitive agreements for the Asset Sale, Private Placement and the Acquisition; the purchase price and payment thereof for the Purchase Order, Asset Sale, Private Placement and Acquisition; government, regulatory, court and shareholder approvals for the aforementioned transactions; and the mailing of the information circular for the Meeting. 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: the receipt of required government, regulatory, court and shareholder approvals; the satisfactory completion of due diligence by the S.V. Group; industry demand; expectations regarding clean technology adoption rates, the impact of governmental regulatory regime; 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 uncertainties 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 obtain required governmental, regulatory, court and shareholder approvals for the transactions discussed herein; a failure to negotiate and settle definitive agreements with respect to the Asset Sale, the Private Placement and the Acquisition or otherwise fail to close the transactions

described herein; the failure to realize the benefits of the Indian joint venture with S.V. Greentech, or the Purchase Order, Asset Sale and Private Placement; 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; and changes in demand for fuel storage systems. 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.