

DYNETEK ANNOUNCES INDIAN JOINT VENTURE WITH S.V.ENERGY

Calgary, Alberta, Canada – September 21, 2010 – Dynetek Industries Ltd. ("**Dynetek**") (TSX:DNK) is pleased to announce the execution of a letter of intent to form Dynetek Cylinders India Pvt. Ltd. ("**DNK India**"), an Indian joint venture to be 49% owned by Dynetek and 51% owned by S.V. Energy, an Indian partnership. Dynetek and S.V. Energy are targeting execution of certain agreements that will formalize the terms joint venture by November 30, 2010.

The partners of S.V. Energy also hold a majority interest in Ace Gas Conversions ("**Ace Group**"). Ace Group is a Tier One supplier of liquid propane gas and compressed natural gas components to the automotive market in India.

Dynetek has established this joint venture to maximize its penetration of the Indian market for lightweight compressed natural gas fuel storage cylinders and systems.

The joint venture will be executed in three stages.

First, Ace Group will market Dynetek's lightweight cylinders and systems on an exclusive basis in India, Pakistan, Nepal, Bangladesh and Sri Lanka. Dynetek will manufacture and provide cylinders and systems to Ace Gas as required to meet initial demand.

Second, S.V. Energy will invest in the joint venture to develop a winding and systems assembly plant near Mumbai, India. This plant is expected to be operational by the end of the second quarter of 2011. This facility will effectively replicate Dynetek's German subsidiary operations. 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.

Third, once sales volumes of sufficient economies of scale are achieved by DNK India, a liner production facility may be established in India.

Mr. Douglas Pigot, Executive Chairman of the Board of Dynetek commented, "The joint venture will ensure Dynetek capitalizes on and supports its first-mover advantage in certifying its Type III products and establishing relationships with large bus fleet operators in the important Indian market. Ace Group is a leader in the commercialization of compressed natural gas conversions for the automotive industry in the Indian market. We look forward to working with both S.V. Energy and Ace Group to further develop Dynetek's position in this market."

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. 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. Management estimates buses with CNG fuelling systems will represent a growing percentage of new buses acquired.

Dynetek's Type III products are now fully certified for sale in the Indian bus OEM market and we have established relationships with major municipal and inter-city bus fleet operators.

ABOUT ACE GROUP

Ace Group, established in 2001, is predominantly a supplier of liquid propane gas and compressed natural gas components as a tier one supplier to automotive original equipment manufacturers and after-market conversion companies in India. Ace Group has grown to consolidated revenues of approximately US \$10MM annually.

ABOUT DYNETEK

Dynetek designs, produces and markets one of the lightest and most advanced fuel storage 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 continues to develop new opportunities in the Asia Pacific and European markets having recently received product certifications from several Asian countries for cylinders and fuel storage systems.

Dynetek's common shares are listed on the Toronto Stock Exchange, symbol: DNK

FORWARD LOOKING STATEMENTS

*In addition to historical information, this news release contains forward-looking statements and information ("**Forward-looking Statements**"). In particular this news release contains Forward-looking Statements regarding, among other things, the execution of the Indian joint venture definitive agreements and related documentation, the marketing of Dynetek's lightweight cylinders and systems, the development and operation of the winding and systems assembly plant, the increase in vehicles powered by CNG and the growth in the market and number of buses fueled by CNG. Forward-looking Statements are not based on historical facts, but rather 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. With respect to the forward-looking Statements contained herein assumptions have been made with respect to: industry demand, expectations regarding 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 uncertainty that may cause actual events to differ from those set out in 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; and changes in government regulation. 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.*

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