



Dynetek Industries Ltd. Reports First Quarter 2010 Results

Calgary, Alberta, Canada – May 14, 2010 – Dynetek Industries Ltd. (“Dynetek”), 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, 2010. 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 capital and per share data)
(unaudited)

	Three months ended March 31	
	2010	2009
Cylinder and system sales	3,949	5,796
Research and development income	380	1,057
Investment and other income	1	3
Total revenue	4,330	6,856
EBITDA ¹	(442)	1
Net loss	(1,419)	(909)
Net loss per common share (basic and fully diluted)	(0.07)	(0.04)
Cash	265	728
Non-cash working capital ¹	11,826	13,972
Working capital ¹	12,499	15,108
Total assets	35,766	42,478
Long-term debt and capital lease	6,348	6,948
Capital and intangible expenditures	254	218
Cash flow deficiency from operations	(688)	(2,821)
Weighted average number of common shares outstanding	20,956,500	20,936,500

⁽¹⁾ EBITDA, non-cash working capital and working capital are non-GAAP financial measures. Dynetek defines EBITDA as earnings before interest, taxes, stock based compensation, foreign exchange gain or loss, depreciation, and amortization. Dynetek defines non-cash working capital as current assets less cash, restricted cash and current liabilities and working capital as current assets less current liabilities. Dynetek believes 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

Revenue for the first quarter of 2010 was \$4.3 million compared to \$6.9 million for the same quarter of 2009, a decrease of \$2.6 million or 37% and EBITDA for the first quarter of 2010 was negative (\$0.4 million) compared to break-even EBITDA for the same quarter of 2009. As a result, the net loss for the first quarter of 2010 was \$1.4 million or a net loss of \$0.07 per share, compared to the 2009 same quarter net loss of \$0.9 million or net loss of \$0.04 per share.

Cylinder and system sales for the three months ended March 31, 2010 were \$3.9 million, a decrease of 32% from \$5.8 million for the same period of 2009. The majority of the decrease was the result of a combination of sales orders anticipated in Q1 now deferred to the remaining quarters of 2010 and the appreciation of the Canadian dollar against the US dollar and Euro. The Canadian dollar appreciated 16.4% against the US dollar and 11.2% against the Euro comparing Q1 2010 foreign exchange rates to Q1 2009.

For the second quarter of 2010, Dynetek's North American and European operations have greater levels of confirmed sales orders than same period 2009, which should result in significantly higher sales during the second quarter compared to the first quarter of 2010. We currently anticipate unit sales for the first six months of 2010 to be comparable to that of the first six months of 2009.

Research and development income for the three months ended March 31, 2010 was \$0.4 million, a decrease of 64%, from \$1.1 million for the same period in 2009. The 2010 first quarter decrease in research and development income from Q1 2009 was related to completion of the Magna Steyr contract by December 31, 2009.

Dynetek has secured new hydrogen projects for 2010 currently anticipated to be in excess of 2009 volumes with major deliverables coming in Q3 and Q4 of 2010.

Dynetek continues to maintain consistent levels of liquidity. At March 31, 2010 working capital was \$12.5 million compared to \$13.7 million at December 31, 2009. Maintaining consistent levels of working capital will continue to allow Dynetek to fund projects related to sales and research and development and develop new regions that demonstrate CNG growth.

OUTLOOK

Dynetek remains committed to its strategy of maximizing CNG sales in the near term while maintaining a focus on the long-term hydrogen market through research and development activities with the global OEMs.

Current projects underway within the research and development group are expected to result in 2010 research and development revenue exceeding 2009 research and development revenue and are evidence of the commitment on behalf of the Original Equipment Manufacturers to continue to pursue hydrogen strategies and to continue to see Dynetek as the supplier of choice.

The Asia-Pacific market represents significant opportunities for revenue growth with demand for CNG cylinders in Asia-Pacific expected to increase materially over the next 5 years. The International Gas Union issued its report, "Report on Study Group 5.3 – Natural Gas Vehicles" at the IGU World Gas Conference in October 2009, which estimated that by 2015, there will be an additional 7.9 million natural gas vehicle equivalents in Asia-Pacific compared to only 0.8 million additional in Europe and 0.2 million additional in North America.

Recent regulatory approvals in certain Asia-Pacific countries are the first steps in pursuing joint ventures to maximize Dynetek's penetration of these significant markets.

In addition to Dynetek's geographic expansion, we continue to focus on developing additional applications for our cylinders including bulk hauling and stationary storage.

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, 2009 and quarterly interim financial statements for the first quarter of 2010. 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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