



Dynetek Industries Ltd. Posts Second Quarter Profit

Calgary, Alberta, Canada – August 11, 2010 – Dynetek Industries Ltd. (“Dynetek”) reported today its results for the three and six months ended June 30, 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 June 30		Six months ended June 30	
	2010	2009	2010	2009
Cylinder and system sales	9242	8258	13191	14054
Research and development income	696	922	1076	1979
Investment and other income	-	3	1	6
Total revenue	9938	9183	14268	16039
EBITDA ⁽¹⁾	891	407	449	408
Net Income (loss)	117	(214)	(1302)	(1123)
Net Income (loss) per common share (basic and fully diluted)	0.01	(0.01)	(0.06)	(0.05)
Cash	290	99	290	99
Non-cash working capital ⁽¹⁾	12119	14845	12119	14845
Working capital ⁽¹⁾	12817	15352	12817	15352
Total assets	37372	41010	37372	41010
Long-term debt and capital lease	6206	6812	6206	6812
Capital and intangible expenditures	250	15	504	233
Cash flow (deficiency) from operations	359	(626)	(329)	(3447)
Weighted average common shares outstanding	20959203	20936500	20959203	20936500

⁽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

Cylinder and system sales for the six months ended June 30, 2010 were \$13.2 million, a decrease of 6% from \$14.1 million for the same period of 2009. Cylinder and system sales for the three months ended June 30, 2010 were \$9.2 million, an increase of \$1.0 million or 12% from \$8.2 million in 2009. The increase in cylinder and system sales in the second quarter of 2010, compared to the same quarter of 2009, was the result of stronger sales activities from its European bus manufacturer customers and major North American customers. In addition, the deferral of sales from the first quarter of 2010 into the second quarter and specific European sales which were forecasted to be realized in the third quarter of 2010, being realized in the second quarter, also contributed to the increase. The year-to-date decrease in 2010 cylinder sales, compared to 2009, reflects the appreciation of the Canadian dollar against the US dollar and Euro.

(thousands of Canadian dollars)
(unaudited)

	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
Cylinder and system sales				
European operations	7090	7268	10352	12145
North American operations	2152	990	2839	1909
	9242	8258	13191	14054

Dynetek's revised North American sales focus has resulted in increased cylinder unit sales in the first six months of 2010. Dynetek expects 2010 unit sales in North America to exceed 2009 unit sales.

The unit sales from the European operations have increased in the first six months of 2010 compared to the same period of 2009. However, European revenue continues to be negatively impacted by the exchange rate. Dynetek expects 2010 unit sales from its European operations to exceed 2009 European unit sales.

Research and development income for the six months ended June 30, 2010 was \$1.1 million, down 46% or \$0.9 million from the same period in 2009. Research and development income for the three months ended June 30, 2010 was \$0.7 million, down 25% or \$0.2 million from the same period in 2009. During the six months and three months ended June 30, 2010, research and development revenue was lower than the same period in 2009 due to completion of the Magna Steyr contract by December 31, 2009.

Dynetek has secured new hydrogen projects for 2010 with major deliverables to occur in the third and fourth quarter of 2010. The new projects are currently anticipated to generate a higher level of research and development income for fiscal 2010 compared to the twelve months of 2009.

Dynetek continues to maintain significant levels of working capital. At June 30, 2010 working capital was \$12.8 million compared to \$13.7 million at December 31, 2009. Maintaining significant levels of working capital will continue to allow Dynetek to fund hydrogen research and development and develop new regions that demonstrate CNG growth.

OUTLOOK

Dynetek is focused on generating sales from its commercialized CNG products and continuing to develop opportunities in the long-term hydrogen market through research and development activities with the global OEMs. Dynetek also continues to develop applications for its cylinders in the bulk transportation and stationary storage segments.

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 OEMs to continue to pursue hydrogen strategies and to continue to see Dynetek as the supplier of choice.

Dynetek will continue to grow its worldwide CNG product sales. European markets will continue to provide the majority of near-term sales however the Company is working to expand sales in the North American and Asia Pacific markets.

Dynetek has refocused its North American sales strategy. The Company continues to market to its base of OEM clients and has expanded its marketing efforts to include companies operating in the dealer and after-market integrator segments. These additional segments represent a material expansion of future demand for Dynetek's products.

The Asia-Pacific market represents significant opportunity for revenue growth. Demand for CNG cylinders in Asia-Pacific markets is 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. Our recently announced Korean joint venture with Sejung Co. Ltd. represents significant progress in accessing this important market. In addition to

Korea, our cylinders are now fully certified in India. We continue to evaluate joint venture partners in India with the intent of establishing a joint venture by the end of 2010.

With the expected increase in demand for cylinders over the mid term from North American and Asia Pacific markets, Dynetek has committed additional production resources and will be making near term capital investments in its Calgary production facility to ensure production capacity and reliability are sufficient to meet market demand.

ABOUT DYNETEK

Dynetek Industries Ltd. is a world-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 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 2010. Readers are encouraged to review the section in the annual 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.

Certain information set forth in this document contains forward-looking statements or information ("forward-looking statements"). 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. Forward-looking statements contained in this document include, without limitation, statements regarding: management's growth and development strategies; the number of CNG buses operated in foreign markets; the number of compressed natural gas ("CNG") buses manufactured; incentives relating to CNG applications implemented by foreign governments; foreign market trends; and demand for CNG and hydrogen cylinders.

Forward-looking statements are based on a number of factors and assumptions which have been used to develop such statements but which may prove to be incorrect. 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. With respect to the forward-looking statements contained in this document assumptions have been made regarding, among other things: (i) industry demand; (ii) expectations regarding technology adoption rates for certain countries; (iii) the impact of governmental regulatory regimes and tax, environmental and other laws; (iv) prices of commodities; and the economic condition in certain countries. Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated and described in the forward looking statements. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, without limitation: (i) changes in general economic, market and business conditions of certain countries; (ii) volatility in commodity prices and exchange rates; (iii) access to capital; (iv) competition for, among other things, capital and skilled personnel; and, (v) actions by governmental or regulatory authorities including changes in environmental legislation. The Company cautions that the foregoing list of assumptions, risks and uncertainties is not exhaustive. Additional information on these and other factors that could affect operations or financial results can be found in the Company's Annual Information Form available on SEDAR at www.sedar.com. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as expressly required by applicable securities law.

For further information, please contact:

Douglas Pigot, Executive Chairman
Dynetek Industries Ltd.
4410 - 46th Avenue SE
Calgary, Alberta T2B 3N7
Tel Calgary: 403-720-0262
Toll free: 1-888-396-3835
Web: www.dynetek.com