Dynetek Industries Ltd.
STORING ENERGY'S FUTURE

Dynetek Industries Ltd. Reports Second Quarter 2011 Results

Calgary, Alberta, Canada – August 11, 2011 – Dynetek Industries Ltd. ("Dynetek" or "Company") reported today its results for the three and six months ended June 30, 2011. The full unaudited condensed consolidated financial statements and Management's Discussion and Analysis have been filed on SEDAR at www.sedar.com and on Dynetek's website at www.dynetek.com.

FINANCIAL HIGHLIGHTS

(thousands of Canadian dollars, except share capital and per share data) (unaudited)	**Three months ended June 30**		**Six months ended June 30**	
	2011	2010	**2011**	2010
Cylinder and system sales	**4,145**	9,168	**7,229**	13,117
Research and development income	**1,579**	696	**2,830**	1,076
Investment and other income	**14**	-	**557**	1
Total revenue	**5,738**	9,864	**10,616**	14,194
EBITDA[1]	**(684)**	883	**(1,136)**	447
Net (loss) income	**(1,230)**	15	**(2,108)**	(1,612)
Net (loss) income per common share (basic and fully diluted)	**(0.06)**	0.00	**(0.10)**	(0.08)
Cash	**990**	290	**990**	290
Non-cash working capital[1]	**6,933**	11,053	**6,933**	11,053
Working capital[1]	**8,331**	11,751	**8,331**	11,751
Total assets	**33,676**	36,002	**33,676**	36,002
Long-term borrowings and finance leases	**4,795**	7,069	**4,795**	7,069
Property, plant and equipment and intangible expenditures	**170**	231	**384**	485
Cash flow (deficiency) from operations	**(729)**	912	**(1,637)**	(7)
Weighted average common shares outstanding	**20,959,500**	20,959,500	**20,959,500**	20,959,500

OPERATIONAL HIGHLIGHTS

Cylinder and system sales for the six months ended June 30, 2011 were $7.2 million, a decrease of 45% from $13.1 million for the same period of 2010. North American operations increased its cylinder revenue for the six months ending June 30, 2011 compared to the same period of 2010 but the overall decrease was the result of the European operations receiving lower cylinder and system orders from European bus manufacturers, major customers of the European operations. The European bus manufacturers continue to experience lower capital expenditures from European customers including European municipalities since the fourth quarter of 2010.

(thousands of Canadian dollars) (unaudited)	**Three months ended June 30**		**Six months ended June 30**	
Cylinder and system sales	**2011**	2010	**2011**	2010
European operations	**2,436**	7,016	**3,673**	10,278
North American operations	**1,709**	2,152	**3,556**	2,839
	4,145	9,168	**7,229**	13,117

Cylinder and system sales for the three months ended June 30, 2011 were $4.1 million, a decrease of 55% from $9.2 million in the second quarter of 2010. The overall decrease in cylinder and system sales in the second quarter of

[1] EBITDA, Normalized EBITDA, non-cash working capital and working capital are non-GAAP financial measures. Dynetek defines EBITDA as earnings before finance costs, taxes, share based compensation, foreign exchange gain or loss, depreciation, and amortization. Dynetek defines Normalized EBITDA as EBITDA adjusted for excess shareholder compensation and non-recurring items. 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. Since non-GAAP financial measures do not have a standardized definition, they may differ from the non-GAAP financial measures used by other companies. Dynetek strongly encourages investors to review its financial statements and other publicly filed reports in their entirety and not rely on a single non-GAAP financial measure.

2011, was the result of continued lower orders from European bus manufacturer customers. Traditionally, the second quarter of each year produces the greatest level of European cylinder sales. However, for fiscal 2011, European bus manufacturers are indicating greater activity levels in the third and fourth quarters compared to the second quarter.

The North American operation invoices the majority of its cylinder sales in US dollars. Despite the US dollar depreciating 5.5% against the Canadian dollar when comparing the first six months of 2011 against 2010, the North American operation increased its sales by $0.7 million or 25% for the first six months of 2011 compared to the same period of 2010.

Research and development ("R&D") income for the six months ended June 30, 2011 increased 163%, to $2.8 million compared $1.1 million from the same period in 2010. R&D income for the three months ended June 30, 2011 increased 127%, to $1.6 million from $0.7 million in the second quarter of 2010. The 2011 year-to-date and second quarter increases reflect greater levels of R&D activities and a 33% year-to-date increase in hydrogen valve revenue. The significant R&D contracts that began in the fourth quarter of 2010 will continue through 2011.

Gross profit was $0.5 million for the first six months of 2011, which was $2.0 million lower compared to the same period of 2010. The decrease was the result of lower margins associated with research and development projects in progress, increased pricing for major raw materials and lower recovery of fixed costs which were partially offset by the settlement of $0.5 million from the government contribution agreement in the first quarter of 2011.

EBITDA for the three and six months ended 2011 was ($0.7 million) and ($1.1 million) respectively, compared to EBITDA of $0.9 million and $0.4 million for the same respective periods of 2010. Net loss for the three and months ended June 30, 2011 was ($1.2) million or ($0.06) per common share and ($2.1 million) or ($0.10) per common share respectively, compared to breakeven net income or $0.00 per common share and ($1.6 million) or ($0.08) per common share for the same respective periods of 2010. The decrease in EBITDA and increases in net loss for the three and six month periods ended 2011 was due to reduced European cylinder sales for the first six months of 2011.

Dynetek continues to maintain sufficient levels of liquidity. At June 30, 2011, working capital was $8.3 million compared to $10.3 million at December 31, 2010. All financial covenants in the Company's credit agreement were in compliance at June 30, 2011 with the exception of the working capital ratio, which was 1.9:1.0 compared to a covenant of 2.0:1.0. As of the date of this press release, the lender has not indicated any intention to demand repayment of the operating line of credit as a result of this breach of covenant.

On July 31, 2011, the Company completed a sale and leaseback transaction for its land and production facility located in Calgary. The Company sold its land and building for gross proceeds of $6.4 million less transaction and closing costs of $0.1 million. The proceeds will be used to repay the outstanding mortgage balance of $4.5 million and will provide $1.8 million for general working capital purposes. The Company will lease the land and production facility under a ten-year lease.

OUTLOOK

Dynetek is focused on generating increased worldwide sales from its commercialized CNG products through geographic expansion. While Europe and North America continue to provide the majority of near term sales, Dynetek is seeking to expand its presence in the Asia-Pacific market through joint venture relationships in Korea, India and China.

In addition, Dynetek intends to focus on expanding its clean technology footprint through acquisitions in the areas of Supervisory Control and Data Acquisition ("SCADA") and Compressed Natural Gas Distribution Infrastructure. Both of these markets lever Dynetek's engineering expertise and knowledge of the CNG supply chain.

In accordance with the Company's foregoing strategy to expand its clean technology footprint into the SCADA market, Dynetek recently signed a non-binding letter of intent to acquire 100% of the outstanding shares of Control Systems Inc. ("CSI") of Jackson, Mississippi for USD $10 million. CSI has a leading market position in the SCADA sector in the Southeastern U.S., servicing utilities, food processors, industrial and oil and gas industries, with expansion opportunities in CNG related areas. Revenue for CSI's 11 month year-to-date period ending May 30, 2011 was approximately USD $12 million with Normalized EBITDA of approximately USD $3 million, based on unaudited, internally prepared financial statements.[1]

Completion of the acquisition is subject to, among other things, completion of due diligence, completion of financing arrangements, settlement of definitive agreement and related documents, board approval and receipt of required regulatory approvals.

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, 2010 and quarterly interim financial statements for 2011. 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; expectations as to 2011 revenue and cylinder units sales compared to 2010; future activity levels of European bus manufactures; expected increases in demand for cylinders; continuation of R&D contracts; the lease of land and production facility; Dynetek's expansion into the Asia Pacific market; Dynetek's expansion into the areas of SCADA and Compressed Natural Gas Distribution Infrastructure; and future acquisitions, including the CSI acquisition and the terms and conditions thereof.

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 exchange rates; and (v) 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; (v) actions by governmental or regulatory authorities including changes in environmental legislation; and (vi) a failure to complete the CSI acquisition as anticipated or at all. 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.

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