



Dynetek Reports 2010 Fourth Quarter and Year-End Results

Calgary, Alberta, Canada – March 30, 2011 – Dynetek Industries Ltd. (“Dynetek”) reported today its results for the three months and year ended December 31, 2010. The full audited consolidated financial statements and MD&A have been filed on SEDAR at www.sedar.com and on Dynetek’s website at www.dynetek.com.

FOURTH QUARTER OPERATIONAL HIGHLIGHTS

- Delivered 18 hydrogen systems to India to be used in 3-wheeled vehicles during the Commonwealth Games
- Developed and certified a new hydrogen cylinder to be used in pre-production hydrogen passenger vehicles for an Asian based Original Equipment Manufacturer (“OEM”)
- Received an order to develop and certify a new hydrogen cylinder to be used in pre-production passenger vehicles for a European based OEM

Financial Highlights

(tabular amounts in thousands of Canadian dollars, except share capital and per share data)
(unaudited)

| | December 31 | | | |
|---|--------------------|------------|-------------------|------------|
| | Three months ended | | Year ended | |
| | 2010 | 2009 | 2010 | 2009 |
| Cylinder and system sales | 4,256 | 4,893 | 22,272 | 26,380 |
| Research and development income | 1,279 | 912 | 3,060 | 3,811 |
| Investment and other income | 1,489 | 61 | 1,495 | 68 |
| Total revenue | 7,024 | 5,866 | 26,827 | 30,259 |
| EBITDA ⁽¹⁾ | 47 | (580) | 478 | 127 |
| Net loss | (1,067) | (2,025) | (2,965) | (3,422) |
| Net loss per common share (basic and fully diluted) | (0.05) | (0.09) | (0.14) | (0.16) |
| Cash | 1,370 | 1,448 | 1,370 | 1,448 |
| Non-cash working capital ⁽¹⁾ | 9,743 | 12,278 | 9,743 | 12,278 |
| Working capital ⁽¹⁾ | 11,113 | 13,726 | 11,113 | 13,726 |
| Total assets | 33,267 | 36,380 | 33,267 | 36,380 |
| Long-term debt and capital lease | 5,078 | 6,491 | 5,078 | 6,491 |
| Capital and intangible expenditures | (117) | 163 | 706 | 915 |
| Cash flow (deficiency) from operations | (119) | 1,695 | 388 | (1,404) |
| Weighted average common shares outstanding | 20,959,500 | 20,940,062 | 20,958,686 | 20,940,062 |

⁽¹⁾ EBITDA, non-cash working capital and working capital are non-GAAP financial measures (“the non-GAAP Measures”). Dynetek defines EBITDA as earnings before interest, taxes, stock based compensation, foreign exchange gain or loss, loss on equipment disposal, 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 the non-GAAP 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.

Cylinder and system sales for the year ended December 31, 2010 were \$22.3 million, a decrease of 16% from \$26.4 million in 2009. The decrease in 2010 sales reflects the appreciation of the Canadian dollar against the US dollar and Euro. Dynetek’s North American sales are primarily transacted in US dollars and European sales are primarily transacted in Euros. The Canadian dollar appreciated 11% against the US dollar and 16% against the Euro, comparing 2010 year-to-date foreign exchange rates against 2009.

(thousands of Canadian dollars)
(unaudited)

| | December 31 | | | |
|----------------------------------|---------------------------|-------|-------------------|--------|
| | Three months ended | | Year ended | |
| | 2010 | 2009 | 2010 | 2009 |
| Cylinder and system sales | | | | |
| European operations | 1,897 | 3,681 | 14,151 | 20,233 |
| North American operations | 2,359 | 1,212 | 8,121 | 6,147 |
| | 4,256 | 4,893 | 22,272 | 26,380 |

Cylinder and system sales for the three months ended December 31, 2010 were \$4.3 million, a decrease of \$0.6 million or 13% from the same period in 2009. Dynetek's North American operations increased its cylinder and system sales by \$1.1 million to \$2.3 million during the fourth quarter of 2010 versus the same quarter of 2009 due to a revised focus on North American sales. The European operations experienced a quarter-over-quarter decrease in cylinder sales of \$1.7 million as a greater percentage of European annual sales were delivered in the second quarter of 2010.

North American 2010 cylinder revenue increased 32% from \$6.1 million in 2009 to \$8.1 million due to Dynetek's revised North American sales focus. European 2010 cylinder revenue decreased 30% from \$20.2 million in 2009 to \$14.1 million due in part to lower than anticipated natural gas bus system tenders and in part to the 16% depreciation of the Euro against the Canadian dollar.

Research and development income for the three months ended December 31, 2010 was \$1.3 million, an increase of 40% or \$0.4 million from \$0.9 million in the same period of 2009. During the first nine months of 2010, research and development income was lower due to delays in start-up of major hydrogen contracts. Major deliverables under the hydrogen contracts began in the fourth quarter of 2010 and will continue into 2011. As a result of the delay in start-up, Research and development income for 2010 was \$3.1 million, down 20% or \$0.7 million from \$3.8 million in 2009.

Investment and other income for the three months ended December 31, 2010 was \$1.5 million, an increase of \$1.5 million from the same period of 2009. The increase was the result of the settlement and expiration of government contribution agreements. The contribution agreements were originally recorded as long-term debt. Certain conditions were met in the fourth quarter resulting in a conversion of the debt into income.

Gross margin on product sales for 2010 decreased to \$5.0 million from \$5.2 million in 2009 but as a percentage of sales increased to 20% in 2010 from 17%. The increase in gross margin percentage is a combination of improved input pricing and the shift in product sales mix from systems to cylinders.

Greater efficiencies on product sales and the conversion of the government contribution agreements in 2010 translated into improved EBITDA and net loss. 2010 EBITDA was \$0.5 million compared to \$0.1 million in 2009 and the 2010 net loss was \$3.0 million or net loss of \$0.14 per share compared to the 2009 net loss of \$3.4 million or net loss of \$0.16 per share.

Dynetek continues to maintain sufficient levels of working capital. At December 31, 2010, working capital was \$11.1 million compared to \$13.7 million at December 31, 2009.

OUTLOOK

Dynetek is focused on generating increased worldwide sales from its commercialized compressed natural gas ("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.

Geographic expansion will be the main driver of worldwide sales growth. While Europe and North America continue to provide the majority of near-term sales, Dynetek is actively expanding its presence in the Asia-Pacific market through its expanding joint venture relationships.

The Asia-Pacific market represents significant opportunity for revenue growth. Demand for CNG cylinders in the Asia-Pacific market 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.

The Korean joint venture with Sejung Co. Ltd. represents significant progress in accessing this important market. In addition to Korea, Dynetek cylinders are now fully certified by the Chief Controller of Explosives ("CCoE") in India and a letter of intent with a potential joint venture partner in India has been executed. Dynetek expects to have the Indian joint venture finalized in the first half of 2011 with initial sales coming in the second half of 2011.

Discussions are underway with a potential Chinese joint venture partner and it remains the Company's intent to establish a Chinese joint venture by the end of 2011. For additional information on the Asia-Pacific market, please refer to the Chairman's Remarks at the Company's June 16th, 2010 Annual and Special Meeting as posted on the Company's web site, www.dynetek.com.

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 AND non-GAAP MEASURES

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 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, expectations as to 2011 revenue and cylinder unit sales compared to 2010, timing of major deliverables under hydrogen contract, timing of finalization of Indian joint venture, timing of establishment of Chinese joint venture and commencement of sales and expected increase in demand for 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.

Dynetek's method of calculating the non-GAAP Measures may differ from methods used by other issuers. Therefore, Dynetek's use of the non-GAAP Measures may not be comparable to similar measures used by other issuers. These non-GAAP Measures should be read in conjunction with the financial statements or other financial information of Dynetek.

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 or toll free: 1-888-396-3835