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**Dynasil Receives Additional U.S. Department of Homeland Security Award of \$2 Million to Advance Nuclear Detection Capabilities**

WATERTOWN, MA – October 12, 2010 – Dynasil Corporation of America (OTCBB: DYSL) today announced that the Domestic Nuclear Detection Office (“DNDO”) of the U.S. Department of Homeland Security (“Homeland Security”) awarded Dynasil's subsidiary, Radiation Monitoring Devices, Inc. (“RMD”), funding totaling \$2.0 million for the advancement of its new high performance nuclear threat detector materials, which are potentially important additions to the nation's homeland security arsenal. The Company's cutting edge scintillator materials represent a leap forward in radiation detection performance applicable to military, industrial and medical applications. Dynasil's crystal scintillator, optically coupled with a photodetector, converts radiation to visible light to detect radiation and dangerous nuclear material, such as would be used in a dirty bomb or a nuclear device. It is highly sensitive and can differentiate between a broad range of threatening and non-threatening materials, thus reducing false negatives.

Dynasil's work is of high importance. Terrorists smuggling nuclear material into the country to create a weapon of mass destruction is one of the most serious threats faced by the United States. To combat this threat, Homeland Security has been working to prevent terrorists from acquiring radioactive materials that would allow them to fabricate a nuclear weapon. A major component of this effort involves outfitting border crossings and shipping ports in the United States and overseas with improved detection equipment that can detect the telltale radiation that nuclear materials give off. In addition, current nuclear detection technology utilizes a crucial ingredient called helium 3 which was a by-product of the nation's earlier nuclear weapons programs and is in increasingly short supply. Dynasil's new “dual mode” detectors are designed to work without helium 3 and can replace two separate nuclear detector systems for gamma radiation and for the neutrons from nuclear materials. Included in the \$2 Million of funding is a \$1.3 million contract that leverages Dynasil's efforts to deliver these “dual mode” detector materials, optimized for quick identification of multiple radiation sources simultaneously, including highly enriched uranium, plutonium and other radioactive materials. Funding was also provided for R&D on five new materials for nuclear threat detection including four Phase I SBIR grants which may develop into much more significant contracts if they progress to Phase II.

Craig Dunham, Dynasil's President and CEO, said of the grants, "Homeland Security has been an excellent partner for the R&D work on these programs, and this represents an outstanding opportunity to transfer technology from the laboratory to the marketplace. This technology may provide better tools to detect and intercept potentially devastating weapons. We expect detector products for nuclear threats and medical imaging to become a key growth driver for Dynasil while delivering a higher level of safety to US people and the community." Kanai Shah, RMD's Vice President added, "Homeland Security's ongoing commitment to this program is tremendous. This Homeland Security grant is a tribute to Dynasil's efforts towards developing the best nuclear threat detector materials. We are excited to pursue these cutting edge products."

**About Dynasil:** *Dynasil Corporation of America (OTCBB: DYSL), is a provider of technology, products, services and solutions aimed at making the world safer and healthier. The company supplies a broad range of customers by serving their specific needs in the medical, industrial, and homeland security/defense markets. The Company has operations in New Jersey, New York, Massachusetts and the UK.*

**About Radiation Monitoring Devices, Inc.:** *Radiation Monitoring Devices, Inc. (RMD), a wholly owned subsidiary of Dynasil Corporation of America was founded in 1974 and is recognized as a national leader in the specialized fields of radiation detector materials, nuclear instrumentation, and custom detector applications. Since the late 1970's, RMD has been an active participant in the federal SBIR program. RMD is based in Watertown, Massachusetts.*

This news release may contain forward-looking statements usually containing the words "believe," "expect," "plan", "target", "intend" or similar expressions. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act. Future results of operations, projections, and expectations, which may relate to this release, involve certain risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, the factors detailed in the Company's Annual Report or Form 10-K, Quarterly Reports on Form 10-Q, as well as in the Company's other Securities and Exchange Commission filings, continuation of existing market conditions and demand for our products.