

NEWS RELEASE

COMPANY CONTACT

Doug Baker
Chief Financial Officer
Nano-Proprietary, Inc.
248.391.0612
dbaker@appliednanotech.net

MEDIA CONTACT

William J. Spina
781.378.2000
wjs_ptnrs@msn.com

Nano-Proprietary, Inc. Achieves Flexural and Compression Strength Improvements in Epoxy/Carbon Nanotube Composites

Austin, TX, June 17, 2008 – Nano-Proprietary, Inc. (OTC BB: NNPP) announced that its subsidiary Applied Nanotech, Inc. (“ANI”) has achieved substantial improvements in the epoxy-based materials used in a variety of industries. ANI has been performing research and development on these materials for over two years in conjunction with a project for a sporting goods manufacturer (see press releases dated September 8, 2005 and December 18, 2006). In results independently verified by Texas State University at San Marcos, ANI has achieved an improvement of over 40% in flexural strength and over 30% in compression strength for epoxy/carbon nanotube composites. These improvements were obtained through the chemical and mechanical modification and functionalization of carbon nanotubes in order for them to be accepted and integrated properly into the epoxy matrix.

Technological advances using nanocomposites are being introduced by many industries such as sporting goods manufacturers, aerospace, and construction industries. Many manufacturers, for example, have begun adding fullerenes and carbon nanotubes to make their epoxy materials stiffer, lighter, and stronger. These epoxy materials are frequently utilized in the industry in the form of Fiber Reinforced Plastics (FRP). The properties of these new epoxy/carbon nanotube composites are generally not easily transferred to the FRP, but by using its new composite, ANI achieved a promising 23% improvement in the flexural strength of the final FRP and similar improvements are expected in the compression strength of the final FRP.

“We are pleased that we could extend the great improvements in our epoxy nanocomposites to FRPs with respect to flexural strength. Our potential customers require the same type of improvements in compression strength. We believe that we will soon be able to extend our gains in compression strength from the nanocomposite to the FRP,” said Dr. Zvi Yaniv, Chief Executive Officer of Applied Nanotech, Inc.

ABOUT NANO-PROPRIETARY, INC.

Nano-Proprietary, Inc. is a holding company consisting of two wholly owned operating subsidiaries. Applied Nanotech, Inc. is a premier research and commercialization organization dedicated to developing applications for nanotechnology with an extremely strong position in the fields of electron emission applications from carbon film/nanotubes, sensors, functionalized nanomaterials, and nanoelectronics. Electronic Billboard Technology, Inc. (EBT) possesses technology related to electronic digitized sign technology. The Companies have over 250 patents or patents pending. Nano-Proprietary’s business model is to license its technology to partners that will manufacture and distribute products using the technology. Nano-Proprietary’s website is www.nano-proprietary.com.

SAFE HARBOR STATEMENT

This press release contains forward-looking statements that involve risks and uncertainties concerning Nano-Proprietary's business, products, and financial results. Actual results may differ materially from the results predicted. More information about potential risk factors that could affect our business, products, and financial results are included in Nano-Proprietary's annual report on Form 10-K for the fiscal year ended December 31, 2007, and in reports subsequently filed by Nano-Proprietary with the Securities and Exchange Commission ("SEC"). All documents are available through the SEC's Electronic Data Gathering Analysis and Retrieval System (EDGAR) at www.sec.gov or from Nano-Proprietary's website listed below. Nano-Proprietary hereby disclaims any obligation to publicly update the information provided above, including forward-looking statements, to reflect subsequent events or circumstances.

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