

NEWS RELEASE

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Applied Nanotech Holdings to Showcase New Nanotechnology Products at nanoTX USA 2008

Austin TX September 17, 2008 – Applied Nanotech Holdings, Inc. (OTC BB: APNT) announced that its subsidiary, Applied Nanotech, Inc. (“ANI”), will showcase several new advanced nanotechnology products at nanoTX USA’08 to be held October 2-3 in Dallas, Texas at the Hyatt Regency Convention Hotel. ANI will display two products that it now has available for sale: metallic nanoparticles including copper, silver, nickel, aluminum, zinc, iron and cobalt; and a unique heat sink material known as CarbAl™ composite.

“This availability of commercial volumes of consistent high quality nanoparticles is the result of our metallic ink development project that we undertook with our strategic partner (see press release of October 1, 2007). We are pleased to make available the results of this development work and to enable greater access to the unique and beneficial characteristics these nanomaterials provide, which will ultimately contribute to the advancement of the nanotechnology industry,” said Tom Bijou, Chairman and CEO of Applied Nanotech Holdings, Inc.

Detailed information regarding the metallic nanoparticles can be found on ANI’s website <http://www.appliednanotech.net/ANI/nanoparticles>.

Dr. Zvi Yaniv, ANI President and CEO, noted, “nanoTX USA provides an opportunity for us to present our revolutionary high thermal diffusive materials that may provide solutions to the needs of the microelectronic industry for low cost high quality heat sink material. This new material is lighter than traditional metallic heat sinks while being three times more effective at diffusing heat.”

The new CarbAl™ heat sink material is a nanocomposite of a carbonaceous type of material and aluminum. The aluminum content is only 20%, while the thermal transmission of the new material is approaching 500 W/mK (for comparison aluminum thermal conductivity is 203 and copper is 390). A technical summary of the CarbAl material can be found at:

<http://www.appliednanotech.net/TechnologyPlatforms/materials/CarbAl.asp> .

In addition to these newly available products, ANI will also exhibit innovations from its extensive patent portfolio, including inkjettable conductive copper ink, epoxy nanocomposites, sensors, CNT electron emission based devices such as sensors and neutron generators, etc.

See <http://www.nanoTx.biz> for more information about the nanoTX USA’08 Conference and Expo.

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ABOUT APPLIED NANOTECH HOLDINGS, INC.

Applied Nanotech Holdings, 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. It also possesses investments related to electronic digitized sign technology. ANI has over 250 patents or patents pending. Its business model is to license its technology to partners that will manufacture and distribute products using the technology. ANI's website is www.appliednanotech.net.

SAFE HARBOR STATEMENT

This press release contains forward-looking statements that involve risks and uncertainties concerning our 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 our annual report on Form 10-K for the fiscal year ended December 31, 2007, and in reports subsequently filed by us 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 our website listed above. We hereby disclaim any obligation to publicly update the information provided above, including forward-looking statements, to reflect subsequent events or circumstances.

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