

NEWS RELEASE

COMPANY CONTACT

Doug Baker
Applied Nanotech Holdings, Inc.
248.391.0612
dbaker@appliednanotech.net

Applied Nanotech Announces Continuation of Research Agreement with Prominent Chemical Company

Austin, TX, October 1, 2009 – Applied Nanotech Holdings, Inc. (OTC BB: APNT) announced it has entered into a continuation of its research and development agreement with a leading industrial chemical products company in Japan for manufacturing and commercializing nano-copper inks and pastes. This follows the exclusive licensing agreement signed in July 2009 with this same prominent chemical company (see press release dated July 9, 2009). The new research and development agreement, the fourth phase of the project, is effective October 1, 2009 and covers a six-month period. Applied Nanotech will receive a minimum of \$300,000 in funding this phase.

This extended project, which began in October 2006, is located at ANI's facility in Austin, Texas, where ANI is providing a team of researchers, laboratory space, and equipment. This project has resulted in the previously mentioned exclusive agreement. This next phase of the project will focus on finalizing the technology transfer, personnel training, and the development of applications for copper nanoparticle inks and pastes with potential customers.

“Together with our strategic partner, we are moving closer to the commercialization of our copper nanoparticle inks and pastes,” said Dr. Zvi Yaniv, CEO of Applied Nanotech, Inc. “As the efforts of our partner in Japan are focused on both manufacturing and development of applications, it is our commitment to continue supporting research and development that will accelerate the introduction of products and applications.”

“We are pleased to assist our partner in their commercialization effort,” said Doug Baker, CEO of APNT. “This strong collaboration is indicative of our mission to monetize technology.”

ABOUT APPLIED NANOTECH HOLDINGS, INC.

Applied Nanotech Holdings, Inc. is a premier research and commercialization organization focused on solving problems at the molecular level. Its team of PhD level scientists and engineers work with companies and other organizations to solve technical impasses and create innovations that will create a competitive advantage. The business model is to license patents and technology to partners that will manufacture and distribute products using the technology. Applied Nanotech has over 250 patents or patents pending. APNT also possesses investments related to electronic digitized sign technology. Applied Nanotech'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, 2008, 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.

###