

# NEWS RELEASE

## COMPANY CONTACT

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

## Applied Nanotech Holdings Receives Contract to Improve Lithium-Ion Batteries

**Austin, TX, February 18, 2010** – Applied Nanotech Holdings, Inc. (OTC BB: APNT) announced that it has been awarded a Phase I contract by the US Army under the Small Business Innovation Research (SBIR) program to develop a battery anode using a novel silicon nanostructure material for rechargeable lithium-ion batteries. The amount of the contract is \$100,000.

Lithium-ion batteries, which make up over seventy-five percent of the multi-billion dollar rechargeable battery marketplace, currently use carbon anodes. The innovative technology that ANI is developing to replace the carbon anodes will improve batteries' charge capacity, micro-scale charge conduction, and energy density resulting in a longer life battery that can withstand more charge cycles.

ANI will leverage its expertise in making silicon nanoparticles (Issued US Patent 7531155), ink development, and ink processing to demonstrate the feasibility of a nano-Si anode with remarkably increased charge capacity and performance during the six month Phase I SBIR program.

“Utilizing several of our patents and patent pending technologies, we have identified a solution enabled by nanotechnology that addresses an existing problem in a very large market arena” said Dr. Zvi Yaniv, CEO of Applied Nanotech, Inc.

“We are continuing to focus our efforts on using our technology to develop cost effective methods to provide environmentally advantageous solutions that have substantial market value. Improving rechargeable batteries and extending battery life is a perfect example of this strategy,” said Doug Baker, CEO of Applied Nanotech Holdings, Inc.

## 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. Applied Nanotech's website is [www.appliednanotech.net](http://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](http://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.

# # #