FOR IMMEDIATE RELEASE

July 3, 2007

PROTONEX RECEIVES ADDITIONAL FUNDING TO ADVANCE UNMANNED AERIAL VEHICLE POWER SYSTEMS

DATELINE: SOUTHBOROUGH, MA; Protonex Technology Corporation (LSE: PTX), a leading provider of advanced fuel cell power systems for sub-kilowatt portable, remote and mobile applications, today announces that it has received an $800,000 extension to a previously awarded contract with the Air Force Research Laboratory (AFRL) to optimize performance of its unmanned aerial vehicle (UAV) propulsion system, ProCore™ UAV. The advanced version of the system is expected to enable longer flight times and increased payload capability of small unmanned aircraft.

Under this extended program, Protonex will increase the power density of the ProCore™ UAV fuel cell system. In addition, Protonex will work with subcontractor Millennium Cell, Inc. (NASDAQ: MCEL) to advance the chemical hydride fueling subsystem to increase energy density. These improvements to power and energy density have the potential to deliver fuel cell power systems that can offer up to four times the available energy of batteries of the same size and weight.

Recently, Protonex and UAV manufacturer AeroVironment (AV) (NASDAQ:AVAV) successfully flew the AV Puma small unmanned aircraft for nearly five hours powered by a ProCore™ UAV hybridized with a battery. Puma's standard propulsion system comes equipped with rechargeable batteries with a listed flight time of 2.5 hours. The nearly five-hour duration of the Puma flight using fuel cell battery hybrid power surpassed the longest previous Puma flight achieved by AeroVironment using any technology.

With the anticipated improvements to the ProCore™ UAV system, Protonex expects to achieve flight times of up to ten hours. This capability will address the rapidly growing segment of UAVs designed for surveillance, search and rescue, chemical-biological monitoring and other long-endurance specialty missions.

“Increased endurance and payload capacity are critical capabilities that are not feasible with current battery technology being used in small unmanned aerial vehicles today,” stated Dr. Paul Osenar, Chief Technology Officer, Protonex. “We continue to work with leaders in the UAV field to advance this enabling technology, including military end-users and UAV manufacturers, and expect these efforts to yield a significant market opportunity for our fuel cell products.”

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Notes to Editors

About Protonex Technology Corporation
www.protonex.com
Protonex Technology Corporation develops and manufactures compact, lightweight and high-performance fuel cell systems for portable power applications in the ten to 1000-watt range. The Company's fuel cell systems are designed to meet the needs of military and original equipment manufacturer (OEM) customers for off-grid applications underserved by existing technologies by providing customizable, stand-alone portable power solutions and systems that may be hybridized with existing power technologies. The Company is based in Southborough, Massachusetts.

About Millennium Cell
www.millenniumcell.com
Millennium Cell is a leader in the development of hydrogen battery technology used to power portable applications. Through its proprietary Hydrogen on Demand® fuel cartridges and PowerSkin™ fuel cell modules, the Company provides increased energy density resulting in longer runtime and lighter weight in a compact space. The Company is working with market partners to meet the demand for a better battery in the military, medical, industrial and consumer electronics markets.

This announcement includes statements which are, or may be deemed to be, "forward-looking statements". All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding Protonex' financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to Protonex' products and services) are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Protonex to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. These factors include but are not limited to those described in the Admission Document issued in connection with the Placing.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this announcement speak only as at the date of this announcement and are subject to risks relating to future events and other risks, uncertainties and assumptions relation to Protonex' operations, results of operations, growth strategy and liquidity.