

FOR IMMEDIATE RELEASE

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**PROTONEX AWARDED \$3.5M US ARMY CONTRACT  
LARGEST IN COMPANY'S HISTORY**

**DATELINE: SOUTHBOROUGH, MA;** Protonex Technology Corporation, a leading provider of advanced fuel cell power systems for sub-kilowatt portable, remote and mobile applications, has been awarded a \$3.5 million contract with the US Army Research Office to develop a 250-watt portable fuel cell power source that is significantly smaller, lighter, quieter and more efficient than alternative battery or generator systems. The system will include a methanol reformer and will initially target military applications such as field battery charging and auxiliary power. This contract is the largest Protonex has received to date, and brings the total program value of the Company's secured government development or joint development contracts to more than \$11 million.

Under the terms of the contract, Protonex will rapidly evolve its current 250-watt fuel cell system and methanol reformer prototypes into an integrated, mission-specific and ruggedized fuel cell power source for use by the US Army, Special Operations Command and Marines. The \$3.5 million award will cover a comprehensive 12-month program of continued development, low-volume production and initial product delivery for customer field testing. Protonex will also use the funds to lay the groundwork for utilizing other fuels, including propane, military diesel and biodiesel, in future fuel cell power systems.

"This contract represents major customer support for our previously announced line of reformer-based fuel cell products. We are very pleased to have the opportunity to provide US soldiers with significantly enhanced power and mission capabilities," stated Scott Pearson, CEO, Protonex. "We also expect to leverage this funding and other advanced product development work into our core products for both military and commercial customers."

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**Notes to Editors**

About Protonex Technology Corporation

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[www.protonex.com](http://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 500-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 customisable, stand-alone portable power solutions and systems that may be hybridized with existing power technologies. The Company is based in Southborough, Massachusetts.

*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.*