



FOR IMMEDIATE RELEASE

27 October 2009

PROTONEX TRADING UPDATE

DATELINE: SOUTHBOROUGH, MA; Protonex Technology Corporation (LSE: AIM: PTX and PTXU), a leading provider of advanced fuel cell power systems, today provides a trading update following its fiscal year end on 30 September 2009. The Company expects to announce its full year results in January 2010.

During the year to 30 September 2009 Protonex made significant progress as it finalised several core technologies and prepared for a set of initial product launches during 2010. The Company's prime focus has been on developing high-value fuel cell products for which there is near term market demand and which are scalable. Those products must be robust as well as efficient and economic in comparison with alternative sources of energy.

Protonex' unique combination of PEM (proton exchange membrane) and SOFC (solid oxide fuel cell) systems is emerging as a critical advantage for the Company, allowing it to offer multi-fuel capabilities and to target a broader set of addressable markets. The Directors believe that the Company is very well-positioned to compete in an attractive set of commercial, consumer and military markets in 2010 and beyond.

TRADING UPDATE

Protonex expects to report a significant increase in total revenues for the second half of 2009, as compared with the first half of the year. Based on this strong second half, the Directors expect full year 2009 results to be in line with their expectations of revenue and cash flow.

The US Military continues to increase its focus and associated funding on detached, portable, and unmanned systems. Protonex' cutting-edge products and technologies are receiving strong interest from a broad range of U.S. Military and government agencies and the Company expects future programme revenue to remain robust.

The Company expects to report that government programme revenues in the second half of fiscal 2009 increased significantly over the first half of the year as the new US Administration took office and new contracts again began to flow to Protonex. Also, since many of the new programmes are for 12 months or more, the Company has a strong backlog of programme revenue for fiscal 2010.

PRODUCT PLATFORMS

Protonex is tightly focused on developing and launching a series of advanced fuel cell products that deliver strong value propositions to a set of targeted commercial, consumer and military markets in 2010 and 2011. The Company continues to make steady progress on the development of its four major product platforms.

1) M250 Product Platform: Protonex' 250-watt methanol-fuelled product platform is the Company's most mature and enables several near-term products.

- The M250-B™ system, targeted initially at the recreational vehicle (RV), marine and renewable energy markets, provides users with clean, quiet and efficient auxiliary power, eliminating the need for conventional generators or engines.

The M250-B product is currently scheduled for a 2010 launch into the RV and marine markets, both of which appear to be showing signs of recovery as the world economy begins to pull out of recession. As previously announced, Cummins (NYSE: CMI), a global leader in power generation and distribution, has partnered with Protonex to cooperate in the marketing of the M250-B system into the RV market. The Directors believe that the Cummins commitment provides important confirmation of the M250-B product's viability and value proposition in the leisure segment.

- The M250-CX™ system, a high performance, lightweight and quiet power unit, is designed to charge up to six military batteries simultaneously or to function as a portable auxiliary power unit (APU). By using the M250-CX in certain mission scenarios, the US Department of Defense could switch to rechargeable batteries in the field, thereby reducing overall weight and saving significantly on the hundreds of millions of dollars spent annually on non-rechargeable batteries. To date, Protonex has received \$7.75 million in contracts from the US Military to develop this platform.

Earlier in 2009, Protonex shifted the M250-CX platform to its highest priority due to strong military interest and funding potential. Protonex is scheduled to deliver 22 M250-CX units to the US Military for testing and evaluation in late 2009 and a proposal has been submitted for a significant next-stage programme (up to \$6 million over 24 months), including a product sales component of over 100 units.

2) Unmanned Aerial Vehicle (UAV) Power Systems: Protonex UAV power systems provide critical performance improvements and mission enhancements for small UAVs, delivering up to four times the flight duration compared to advanced battery systems. A recent performance indicator is the Company's 23-hour UAV flight earlier this month with the US Navy, far surpassing any flights by similarly-sized UAVs.

Long duration, small UAVs remain one of the highest priorities for the US Military and Protonex has emerged as a leader in providing next generation power systems for this market space. The Company continues to receive significant, ongoing development contracts and funding from the US Air Force, Navy, SOCOM, and other branches and is currently in discussions with several UAV prime contractors. Protonex UAV power systems are moving rapidly from flight demonstrations to deployable products and the Company expects that its first shipment of products could take place in mid to late 2010.

3) Power Managers: Protonex' BPM™ and SPM™ power managers are small energy management devices designed to create an efficient and flexible "smart grid" on special forces and regular infantry personnel. Protonex' power managers can deliver up to a 30-50% improvement in energy use and corresponding weight. They also enable the use of solar, fuel cell, and other alternative power sources.

Both the BPM and SPM units are complete as products and are now being tested and evaluated by several branches of the US Military domestically and in Iraq and Afghanistan. Management expects power managers to be the most likely source of near-term product revenue in its 2010 fiscal year.

4) SOFC Product Platforms: Protonex' SOFC platforms have made extensive progress in 2009. The Company recently demonstrated the operation of fully packaged SOFC systems running on propane and is pleased to announce that two of these units have been delivered to the US Army for testing and evaluation. The Company is also making good progress in the processing of more energy dense liquid fuels including kerosene, butanol, gasoline, and diesel. The Company was very successful during 2009 in securing military funding to help support its overall SOFC development efforts and Management expects this level of support to continue.

As announced in July 2009, Protonex hired Dr. Caine Finnerty, a leading expert in SOFC and former CTO of Nanodynamics Inc. Subsequently, Protonex has hired several other key employees from Nanodynamics to enhance further the capabilities of the Company's SOFC team. In addition, the Company is participating in the bidding process for substantially all of the SOFC-related assets of Nanodynamics Energy Inc, which recently entered into US bankruptcy proceedings.

SUMMARY

The Company's core business strategy remains unchanged and on track. The Company has launched two products in 2009 and expects additional product introductions during 2010. The Directors of Protonex are pleased with the Company's 2009 performance and remain confident in the Company's growth prospects in 2010 and beyond.

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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 100 to 1000-watt range. The Company's fuel cell systems are designed to meet the needs of military, commercial and consumer 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 headquartered 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 Company's admission to AIM.

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.