



FOR IMMEDIATE RELEASE

July 28, 2009

**PROTONEX AND ULTRACELL
PARTNER TO DEVELOP AND MARKET NEW PORTABLE POWER SOLUTIONS**

DATELINE: SOUTHBOROUGH, MA; Protonex Technology Corporation (LSE: AIM: PTX and PTXU), a leading provider of advanced fuel cell power systems, today announces that it has partnered with UltraCell Corporation, a producer of portable fuel cell products, to cooperate in the development, marketing, demonstration, commercialization, and sale of advanced fuel cell power solutions and fuels for the U.S. Military.

Under the terms of the agreement, the companies plan to focus on three distinct types of cooperative efforts: 1) collaboration on existing military hardware, 2) development of a common fuel, and 3) joint sales and marketing efforts. On the hardware side, the companies will integrate and test power solutions using UltraCell's XX25 and XX55 fuel cell power sources with Protonex' Soldier Power Manager (SPM) and Battlefield Power Manager (BPM) products. Both companies will further develop and promote a new portable power plug-and-play standard for the U.S. Military. The resulting power solutions are anticipated to add significant customer advantages to deliver specific portable power capabilities that are currently unavailable to the market.

On the fuel side, Protonex and UltraCell share a common methanol/water fuel mixture in their portable power systems as both systems are based on Reformulated Methanol Fuel Cell (RMFC) technology. A joint goal for both companies, and one of significant value to military customers, will be to achieve a truly universal fuel for both Protonex and UltraCell portable power systems through common specifications, packaging/interconnections, extensive testing, and supplier qualification.

Finally, both companies intend to support each other in joint marketing and sales for these specific power solutions. UltraCell's fuel cell products currently provide power below the 100 watt range while Protonex' series of products output between 100 to 1,000 watts of power, making UltraCell's XX25 and XX55 watt products fully complementary with Protonex' M250-CX fuel cell system operating at 250 watts and above. Protonex' SPM and BPM series of power managers are compatible with a wide range of fuel cells and military hardware above and below 100 watts. These Protonex power management products dramatically reduce a soldier's logistics burden by minimizing the number and type of batteries and other power sources a soldier must carry. Both Protonex and UltraCell offer advanced power solutions that are designed to meet the stringent, rugged power needs of demanding military and commercial applications.

"We are very pleased to be partnering with UltraCell to combine our robust power solutions and to accelerate our sales and marketing efforts," stated Greg Cipriano, Vice President, Military Development & Marketing for Protonex. "We expect that our combined complementary product platforms to result in portable power solutions that offer significantly enhanced capabilities for our military customers. The U.S. Military has been searching for a universal portable power solution and fuel for a long time, and we now have the combined team and work effort that can deliver on that vision."

In July and in partial support of this effort, the United States Army awarded Protonex an additional \$345,000 contract. The purpose of this contract is to continue work on advanced intelligent soldier portable power solutions, including extensive interoperability testing between the UltraCell XX25 fuel cell and the Protonex SPM and BPM power managers for a wide variety of field applications.

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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.

About UltraCell

www.ultracellpower.com

UltraCell is a leading producer of fuel cell systems for mobile devices. With an exclusive license with Lawrence Livermore National Laboratories for micro fuel cell technology, the company has developed new technologies and intellectual property in the field of methanol-based fuel cells. Its patented, award-winning portable fuel cell, the XX25™, achieved Technology Readiness Level (TRL) 7 status, a significant U.S. Army milestone and certification for military use and commercial production.

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.