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CONTACT: Jennifer Humiston
(508) 490-9960 x204
jennifer.humiston@protonex.com

**NORTHROP GRUMMAN LASER SYSTEMS TEAMS WITH PROTONEX
TO DEVELOP PORTABLE POWER SYSTEM FOR U.S. AIR FORCE**

DATELINE: SOUTHBOROUGH, MA; September 21, 2005...Protonex Technology Corporation, a leading manufacturer of high-performance fuel cell power systems for portable and remote applications, announced today that it has signed a teaming agreement with Northrop Grumman Laser Systems to develop a portable power fuel cell system for the U.S. Air Force. The companies recently demonstrated a prototype of the system for the Air Force Research Laboratory (AFRL) at Wright-Patterson Air Force Base.

Protonex' agreement with Laser Systems is expected to help speed wide-scale deployment of portable power fuel cell solutions in the marketplace. Northrop Grumman is a global defense company that provides technologically advanced, innovative products, services and solutions to U.S. and international military, government and commercial customers. The Air Force demonstration allowed both companies to showcase their individual and collaborative capabilities.

The demonstrated system represents the further development of the P1 system delivered by Protonex to the AFRL in March. Both systems are based on a 30-watt portable fuel cell power system fueled by chemical hydride. This latest system offers greater power density, increased functionality and improved ease-of-use. The highly efficient fuel cell-based system includes advanced battery technology and an intelligent power manager.

“The successful prototype demonstration was a key milestone in our development work with Protonex,” stated William Walters, Business Development Manager, Northrop Grumman Laser Systems. “We are eager to continue our work together to develop a production-ready portable power system for field deployment.”

About Protonex Technology Corporation

www.protonex.com

Protonex Technology Corporation develops and manufactures the smallest, lightest and highest performing fuel cell systems for portable power applications in the 10 to 500 watt range. The Company is meeting the needs of 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, and has established partnerships with Northrop Grumman

Corporation, Parker Hannifin Corporation and Millennium Cell Inc. to jointly develop advanced power solutions.

About Northrop Grumman Corporation

www.northropgrumman.com

Northrop Grumman Corporation is a global defense company headquartered in Los Angeles, Calif. Northrop Grumman provides technologically advanced, innovative products, services and solutions in systems integration, defense electronics, information technology, advanced aircraft, shipbuilding and space technology. With more than 125,000 employees, and operations in all 50 states and 25 countries, Northrop Grumman serves U.S. and international military, government and commercial customers.