



FOR IMMEDIATE RELEASE

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**PROTONEX TO OPTIMIZE AND TEST
PORTABLE FUEL CELL POWER SYSTEMS FOR US ARMY**

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 Raytheon (NYSE: RTN) will participate in the development of Protonex' portable fuel cell power system for the US Army. This work will be completed under a subcontract of Protonex' previously awarded \$3.5 million contract with the US Army Research Office (ARO) 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.

This is the first time that Protonex has partnered with Raytheon, a \$20 billion US defense contractor and technology leader in defense and homeland security markets. Under the terms of the subcontract, Raytheon will test the Protonex power system and assist in optimizing its functionality to help it meet rigorous military standards for performance and safety. The testing performed by Raytheon will include evaluation of the system's performance under shock, vibration and impact environments.

Protonex' military power system will be fueled by methanol and produce up to 250 watts of continuous DC power as long as fuel is supplied. This integrated, mission-specific and ruggedized fuel cell power source, which includes customizable power management equipment, will be designed for use by the US Army, Special Operations Command and Marines for charging military batteries, or as a stand-alone power source to provide electricity for military equipment in remote locations. During the course of the one-year program, Protonex will deliver ten portable fuel cell power systems to the ARO for evaluation.

"Working with Raytheon on this program will speed and strengthen refinement of our 250-watt fuel cell product, and we expect to leverage this technology into advanced power systems for industrial and commercial markets as well," stated Scott Pearson, CEO, Protonex. "We look forward to working with Raytheon on this program, and hope that this teaming agreement will lead to future cooperation on both product development and sales opportunities."

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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.

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.