FOR IMMEDIATE RELEASE

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PROTONEX AWARDED PROGRAM TO FURTHER DEVELOP SOLID OXIDE FUEL CELL POWER SYSTEMS

DATELINE: SOUTHBOROUGH, MA; Protonex Technology Corporation (LSE: AIM: PTX and PTXU), a leading provider of advanced fuel cell power systems announces that, as anticipated, it has received confirmation of a $1,481,470 contract award from the U.S. Army to adapt its solid oxide fuel cell (SOFC) power systems for operation on alternative fuels. This program will focus on advancing 500 Watt to 1,000 Watt SOFC power systems that operate on high-performance liquid fuels, including alternative, bio-derived fuels such as butanol and bio-diesel.

Under the terms of this 24-month contract, Protonex will further develop and advance its existing SOFC systems operating on liquid fuels such as butanol, bio-diesel, gasoline, and kerosene. This work will focus on fuel processing, demonstration of high-power-density, mechanically robust stacks and optimization of a complete generator—culminating in a demonstration of generator performance and lifetime. At the conclusion of the program, two fuel cell systems will be delivered to the Army for further testing and evaluation.

There is growing military and commercial interest in the use of alternative or renewable fuels to reduce dependence on foreign oil. Solid oxide fuel cells, with their low emissions and high efficiency, are well-suited to generate electricity from these "green" fuel sources. Fuel-flexible generators capable of operating on both traditional and alternative liquid fuels can provide highly efficient electricity generation from both today's transportation fuels and the biofuels of tomorrow.

Development of these small SOFC systems will provide the military with lightweight, extremely quiet and fuel efficient systems that could be used in powering equipment during field operations as an auxiliary power unit (APU), portable generator or field battery charger. In addition to being quieter than combustion-engine generators and lighter than batteries, these fuel cell systems can efficiently process high-performance liquid fuels to maximize the energy of the complete power system.

"We are pleased to have received this significant award," commented Dr. Jerry Martin, Vice President of SOFC Development for Protonex. "Clean and quiet power generators that operate on readily available fuels are in high demand for military and commercial markets. This program will accelerate our SOFC product development at Protonex and allow us to further advance our leading-edge SOFC platforms."

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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.