FOR IMMEDIATE RELEASE

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PROTONEX ACQUIRES SOLID OXIDE FUEL CELL AND FUEL REFORMING LEADER MESOSCOPIC DEVICES

DATELINE: SOUTHBOROUGH, MA; Protonex Technology Corporation (LSE: PTX), a leading manufacturer of high-performance proton exchange membrane (PEM) fuel cell power systems, announced today that it has entered into an agreement to acquire Mesoscopic Devices, an industry leader in solid oxide fuel cell (SOFC) technology, fuel reforming, and desulfurization systems for a total consideration of $12.4 million, of which approximately $3.2 million is payable in cash and the balance in new common shares in Protonex.

Mesoscopic Devices, based in Broomfield, Colorado, is a leading provider of ten to 1,000-watt fuel cell power solutions and has developed two platforms of fully integrated power systems based on SOFC and direct methanol fuel cell (DMFC) technologies, including one of the first portable SOFCs operating on liquid fuels. Established in 1998, the company's principal business has been development of portable fuel cell technology for government, military and commercial customers including the US Army, US Navy, DARPA and NASA. To date the company has received over $13 million in cumulative contracts. The unaudited accounts of Mesoscopic Devices for the year ended December 31, 2006, show revenue of $3.2m, net income of $0.1m, and net assets at December 31, 2006, of $0.7m.

The acquisition represents Protonex' first strategic investment since its admission to the Alternative Investment Market of the London Stock Exchange ("AIM") in July 2006. The Directors believe that the proposed acquisition will deliver considerable short and long-term synergies and benefits to the combined entity. Specifically, these include:

- **Fuel Diversity:** SOFC technology enables the utilization of propane, gasoline, diesel and JP8 as input fuels for future Protonex fuel cell systems. These fuels are widely available and optimal for certain commercial, consumer and other applications.

- **Broader Markets:** Based on the relative merits (operating characteristics, input fuels, power density and efficiency) of PEM and SOFC technologies, Protonex believes that products based on both will co-exist in the marketplace. Protonex' ability to provide power solutions based on each of these technologies will dramatically increase the total market addressed by its products.

- **Expanded Intellectual Property Portfolio:** Mesoscopic Devices expands Protonex' technology and intellectual property portfolio with complementary SOFC and DMFC systems as well as key reformer and balance of plant components currently utilized across the fuel cell industry.

- **Enhanced Technical Capability:** Mesoscopic Devices brings an outstanding team of scientists and engineers to assist in accelerating the development of core technologies and product platforms on both PEM and SOFC technologies.

- **Accelerated Product Development:** Based on Protonex' proven track record and established product development, manufacturing, sales and marketing infrastructure, Protonex expects to accelerate SOFC product initiatives at Mesoscopic Devices.

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- **More Customers and Contracts:** Mesoscopic Devices brings many new customer relationships, several ongoing government contracts, and future program revenue potential to Protonex.

Scott Pearson, Protonex CEO, stated, "The combination of Protonex and Mesoscopic Devices will allow us to build on the clear technical and market synergies that exist between the two businesses and considerably strengthen our position as a leader in the portable fuel cell industry. We are very impressed with Mesoscopic Devices' technical capabilities and expect operations on both sides to move forward quickly, resulting in a greater opportunity to capture increased market share with our expanded product offerings. With this acquisition, we believe that Protonex will be the only portable power company in the world with the ability to offer our customers the benefits of both PEM and SOFC technologies."

Jerry Martin, Mesoscopic Devices President, said, "Joining with Protonex provides us with the resources and capital necessary to accelerate the introduction of our portable SOFC technology. The combined company will be well-positioned to move our advanced technology to market quickly. We see the two organizations as highly complementary and we look forward to a bright future launched by this collaboration."

Post acquisition, Protonex will focus the Mesoscopic Devices team primarily on the development of several SOFC-based product platforms. The first SOFC platform fueled by propane gas is currently at the functional prototype stage. Additional SOFC platforms fueled by gasoline, diesel and JP8 are in advanced development today and will be accelerated with additional resources from Protonex. Activities at Mesoscopic Devices outside of these efforts will be limited and the result will be a modest near-term reduction in contract revenues from 2006 levels and an increase in cash burn resulting from a more aggressive investment in product development.

The acquisition of Mesoscopic Devices follows a number of strategic developments within Protonex' core business. The Company continues to focus on developing its PEM fuel cell systems fueled by hydrogen, chemical hydrides and methanol and has made significant progress in this regard. To date, Protonex has secured contracts with more than $12 million in total program value with US government agencies, including its largest to date announced earlier this month, a $3.5 million contract to develop a 250-watt portable fuel cell power source for the US Army. The Company is also pressing forward on the commercial front and will be introducing a new 250-watt methanol-fueled PEM fuel cell power system at the Hannover Fair on April 16, 2007, in Hannover, Germany.

Under the terms of the transaction, Protonex will pay a consideration of cash and stock for the entire issued capital of Mesoscopic Devices. The cash component of the consideration is $3.2 million payable at closing but subject to a working capital adjustment. The total stock component is comprised of 5,102,983 common shares in Protonex, 4,082,385 of which are subject to various lock-up restrictions between six and 30 months in duration and 1,020,598 of which are tied to meeting unit sales milestones in future years.

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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 1,000-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.

About Mesoscopic Devices, LLC.
www.mesoscopic.com
Mesoscopic Devices, LLC., is a privately held Colorado company with business offices in Broomfield, CO. Mesoscopic Devices has developed industry-leading solid oxide fuel cell (SOFC) technology, direct methanol fuel cell (DMFC), fuel reforming, and desulfurization systems. Mesoscopic Devices designs, fabricates and manufactures portable fuel cell generators for industrial, commercial and military applications. The company's current focus is on developing 10 to 1,000-watt portable power solutions with industry-leading power density and efficiency.

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.