

FOR IMMEDIATE RELEASE

September 27, 2006

**PROTONEX ACCELERATES PLAN TO INTRODUCE REFORMER-BASED PRODUCTS**

**DATELINE: SOUTHBOROUGH, MA;** Protonex Technology Corporation, a leading provider of advanced fuel cell power systems for sub-kilowatt portable, remote and mobile applications, announces that it has accelerated its plan to introduce a line of reformer-based fuel cell products to specifically target commercial markets. Reformation of common organic fuels, including methanol, propane, and ethanol, is a fueling solution that enables the deployment of fuel cell power products into many markets without requiring access to hydrogen or other specialty fuel sources.

Based on progress to date, including expansion of Protonex facilities and several key senior hires, the Company expects to introduce the first of these products for evaluation by OEMs in mid-2007. Initial products will run on reformed methanol and provide 200 to 300 watts of power for a diverse set of portable applications including emergency services, backup power, military equipment, and leisure applications such as marine and recreational vehicle auxiliary power. In total these applications represent a significant portion of the portable power market for fuel cells, which is expected to produce \$2 billion in annual sales by 2011 (Darnell Group 2003).

To support the rapid expansion of its reformer business and other developments, Protonex will double the size of its Massachusetts headquarters, open a branch facility in Bend, Oregon, and hire at least 12 new employees by the end of the year. The Company's reformer product development team, led by Dr. David Edlund, former co-founder and CTO of IdaTech, Dr. Paul Osenar, Protonex CTO, and Dr. Zhijiang Li, formerly of Aspen Products, has achieved significant technical milestones that are driving the Company forward on its path to commercialization.

"We are pleased with the progress that our team has made on the reformed methanol platform, and are excited about bringing the first of these higher power products to market in 2007," said Scott Pearson, CEO, Protonex. "Methanol is an ideal first fuel for our larger power systems, and we expect the 200- to 300-watt products to give us increased access to both commercial and military markets."

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**Notes to Editors**

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**About fuel cell technology**

A fuel cell is a device that uses hydrogen and oxygen to produce electricity cleanly and efficiently. Based on an electrochemical technology, fuel cells offer numerous advantages over conventional power supply options, including batteries, generators and solar power. Fuel cell systems provide extended runtimes, are lightweight and can be easily refueled. They are highly energy efficient and produce low noise, reduced heat and zero emissions when run on pure hydrogen. Because no other conventional power technology can provide all of these benefits, a large and broad potential market opportunity exists for robust, cost-efficient fuel cell systems.

**About Protonex Technology Corporation**

[www.protonex.com](http://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 500-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 customisable, 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.*