



FOR IMMEDIATE RELEASE

July 1, 2008

TECHNICAL UPDATE

DATELINE: SOUTHBOROUGH, MA; Protonex Technology Corporation (LSE: AIM: PTX and PTXU), a leading provider of advanced fuel cell power systems for portable, remote and mobile applications, is pleased to announce that it has successfully achieved the following technical advances on its solid oxide fuel cell (SOFC) platforms.

Reformation of Available Liquid Fuels: Fuel reformation is a critical first step in converting non-hydrogen fuels into a gaseous reformate stream compatible with a solid oxide fuel cell module. Protonex' proprietary dry CPOX (catalytic partial oxidation) reforming technology is an important differentiator for the Company because it is very compact and does not require any water to operate. Both of these factors allow Protonex to limit system complexity and cost which are critical to the portable power applications Protonex is targeting.

As part of an ongoing development program with Cummins Power Generation funded by the U.S. Department of Energy, Protonex recently demonstrated over 500 hours of operation of a CPOX fuel reforming subsystem running on ultra-low sulfur diesel (ULSD) fuel without any added water (either external or recovered from the system). This demonstration included the vaporization of ULSD in hardware compatible with portable power systems. In addition, the Company has demonstrated the operation of its SOFC stacks running directly on the resulting reformate.

Looking forward and building on these technical milestones, the Company expects to introduce fuel cell power products that operate on a variety of liquid fuels with only minor adjustments to its proprietary CPOX fuel reformers and SOFC systems. These fuels include gasoline, ethanol, bio-diesel, bio-butanol, and several grades of standard and synthetic military and aviation fuels.

Development of Propane-Fueled SOFC Products: Protonex focused its early commercial SOFC development efforts on propane-fueled systems and expects its first commercial SOFC products to be propane-fueled. Because propane is a gas at typical operating conditions, it is simpler to process with dry CPOX technology than any of the liquid fuels listed above. The Company is currently focused on designing, building and testing fully functional propane SOFC generator prototypes to verify system performance and product readiness. Protonex has already demonstrated over 1,000 hours of SOFC stack operation fed by propane reformed in one of our proprietary CPOX reformers.

The SOFC portion of Protonex' business originated within Mesoscopic Devices LLC, which was acquired by Protonex in April 2007.

Dr. Jerry Martin, Vice President of SOFC Development, Protonex and Co-Founder of Mesoscopic Devices LLC, remarked: *"We are very pleased with our ongoing progress in developing SOFC technology and we continue to achieve significant milestones on the road to delivering robust SOFC products for both commercial and military applications."*

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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 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.