

FOR IMMEDIATE RELEASE

April 1, 2008

**PROTONEX AWARDED CONTRACT TO DEMONSTRATE ADVANCED UNMANNED
GROUND VEHICLE POWER SOURCES**

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, today announces that it will integrate a Protonex fuel cell power system into an Unmanned Ground Vehicle (UGV) robot under an awarded \$537,249 contract with Advanced Technology Institute's Next Generation Manufacturing Technology Initiative (ATI-NGMTI), to demonstrate extended UGV functional and endurance capabilities. This program builds upon continuing developments by Protonex on extended duration power sources for small Unmanned Aerial Vehicles (UAVs).

As part of ATI-NGMTI's program initiative, Protonex will integrate its Pulse[™] UGV advanced fuel cell power platform into a TALON[™] robotic UGV from Foster-Miller, Inc. (a QinetiQ company). The proposed fuel cell-battery hybrid power system will be capable of delivering approximately 200 watts of continuous power and will also meet peak power demand of the robot as needed. Protonex will combine the high power density of its fuel cell systems with a high energy density chemical hydride fuel to significantly extend the duration and mission capabilities of the existing TALON UGV robotics platforms.

Based on data from its breakthrough flight demonstrations on long-duration UAV systems, the Protonex Pulse UGV power system is expected to increase the operational time of the TALON UGV platform by approximately 2.5 to 3.5 times the existing battery systems; thus enabling expanded capabilities for UGVs including persistent surveillance, chemical-biological monitoring and border patrol.

"This UGV program with ATI-NGMTI represents another important milestone for Protonex and an opportunity for us to expand the range of vehicles into which our power sources can effectively be integrated," stated Dr. Paul Osenar, Chief Technology Officer for Protonex Technology Corporation. "The success we've had demonstrating breakthroughs in UAV flight duration and payload capacity over traditional battery powered solutions has enabled us to tap into a wider range of military and commercial applications. We expect these efforts to yield a significant market opportunity for our fuel cell power solutions."

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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.

About NGMTI

The Next Generation Manufacturing Technology Initiative program, (NGMTI) is a consortium managed by the Advanced Technology Institute (ATI) in Charleston, South Carolina. The purpose of the NGMTI is to accelerate the development and implementation of advanced breakthrough manufacturing technologies in support of the warfighter, and the global economic competitiveness of U.S. manufacturing. NGMTI launches collaborative project teams consisting of subject matter experts from industry, government, academia, and associations in support of its purpose. For more information about NGMTI, please visit www.ngmti.org.

About ATI

The Advanced Technology Institute builds international consortia to develop and implement innovative solutions for manufacturing, aerospace, automotive, maritime, metals, and healthcare industries. ATI-led collaborations attract world-class talent from premier companies, universities, and government agencies, to define technology roadmaps and research portfolios matched to business demands that provide the requisite resources to solve shared challenges. ATI's partners report improved market transition and return on investment with reduced risk. These practical business benefits enable the downstream economic and social benefits of the new technologies – such as safety, affordability, manufacturing competitiveness, environmental protection, and energy conservation. A private, non-profit research corporation with principle operations in Charleston, SC. ATI is an affiliate of SCRA. For more information, please visit www.aticorp.org.

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.