



FOR IMMEDIATE RELEASE

May 5, 2009

### STRATEGIC UPDATE

**DATELINE: SOUTHBOROUGH, MA;** Protonex Technology Corporation, (“Protonex” or the “Company”), (LSE AIM: PTX and PTXU), a leading provider of advanced fuel cell systems, today announces a strategic shift to position the Company more effectively relative to current opportunities in its targeted consumer, OEM and military markets. In summary, the Company has decided to defer the 2009 launch of its M250-B product into the U.S. recreational vehicle (RV) market to focus more of its near-term technical and business development resources onto the military version of this product, the M250-CX. This move will also provide time for a set of cost reduction efforts on the M250-B product which should make it more economically attractive when it does enter the market. The Company will continue with planned OEM and “beta” site evaluations of the M250-B product in the coming months but has decided not to make this product generally available to the consumer RV market in 2009 as previously planned.

The following factors contributed to this strategic decision:

- The Company is seeing a substantial increase in funding opportunities with the U.S. Military for the development, testing and acquisition of high performance portable power sources. A good portion of this multi-year funding is associated with the American Recovery and Reinvestment Act of 2009 and could result in: 1) significant incremental demand for the Company’s M250-CX system and its other military products, 2) additional funding for existing Protonex programs, or 3) new funding opportunities for the Company.
- The poor global economy has severely impacted the RV market in the United States; sales of new RVs, used RVs, and RV accessories are significantly down and are expected to remain weak for the balance of 2009. Selling a new, high-value power system like the M250-B into the current RV market is expected to be challenging and offers less near term potential than alternative opportunities.
- The current development, testing and certification schedules would result in a mid-summer M250-B availability date for general consumers. This date falls in the middle of the RV season – a relatively slow period for sales of RVs and accessories.
- While the global economy and the RV market are down this year, both have the potential to improve considerably over time and make a 2010 launch of the M250-B product more attractive for the Company.
- The Company is planning significant cost reductions for the current M250-B platform, including several opportunities enabled by recently developed technologies. Pursuing these cost reductions in 2009, rather than at a later date, would allow the Company to launch and market the M250-B product in 2010 with lower sale prices, stronger margins, and a higher probability of success.

In the coming months, Protonex will be supporting a set of beta test sites and several OEM evaluations of the M250-B product. One of the Company’s beta partners is a large, multinational generator company that is planning to engage its internal personnel as well as two of its external lead users in M250-B product testing. Planned OEM evaluations for the M250-B currently include one or more DC backup power companies, a security systems company, and several other auxiliary power system providers. The Company recognizes the value of external product data and will be incorporating findings from beta sites and OEM evaluations into its 2010 versions of the M250-B and related products.

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The Directors believe that this strategic shift is the optimal path for the Company when all factors are considered. Protonex is fortunate to have several attractive dimensions to its business model and the ability to shift resources between them as conditions require. The Directors expect that, relative to the Board's prior financial projections, this change will not have a material impact on 2009 net financial performance and cash flow results.

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## Enquiries

**Protonex Technology Corporation**  
Scott Pearson, Chief Executive Officer  
John Connolly, Chief Financial Officer

Tel: +1 508 490 9960

**Redleaf Communications Limited**  
Press and Investor Relations  
Samantha Robbins  
Paul Dulieu

Tel: +44 (0)20 7566 6700  
[protonex@redleafpr.com](mailto:protonex@redleafpr.com)

**Piper Jaffray Ltd.**  
Nominated Adviser  
Michael Covington  
James Steel

Tel: +44 (0)20 3142 8700

## Notes to Editors

### 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 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.*