

PROTONEX TECHNOLOGY CORPORATION
153 Northboro Road
Southborough, Massachusetts 01772-1034

NOTICE OF ANNUAL GENERAL MEETING
TO BE HELD 15 MARCH 2010

To our Shareholders:

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of Protonex Technology Corporation (the "Company") will be held at the offices of Norton Rose, 3 More London Riverside, London, England SE1 2AQ on Monday, 15 March 2010, at 10:00 a.m. London time for the following purposes:

1. To elect a Board of Directors to serve until the next Annual General Meeting of Shareholders and until their successors are elected and qualified.
2. To ratify the appointment of BDO Seidman, LLP as the Company's independent auditors for the fiscal year ending 30 September 2010.
3. To consider and act upon a proposal to approve an amendment to the Amended and Restated Certificate of Incorporation of the Company increasing the authorized number of shares of the Company's Common Stock of 0.5 cents each ("Common Shares") from 85,000,000 to 120,000,000 Common Shares.
4. To consider and act upon a proposal to approve an amendment to the Company's 2003 Stock Incentive Plan, increasing the number of Common Shares that may be issued under such plan from 9,700,000 to 12,000,000 Common Shares.

The Board of Directors has fixed the close of business on Thursday, 4 February 2010, as the record date for the determination of shareholders entitled to notice of, and to vote at, the Meeting.

By Order of the Board of Directors



JOHN J. CONNOLLY, *Secretary*
9 February 2010

WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING IN PERSON, PLEASE COMPLETE, DATE AND SIGN THE ACCOMPANYING PROXY AND RETURN IT AS SOON AS POSSIBLE IN THE ENVELOPE ENCLOSED FOR THAT PURPOSE. THE GIVING OF SUCH PROXY WILL NOT AFFECT YOUR RIGHT TO VOTE IN PERSON IF YOU ATTEND THE MEETING IN PERSON.

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9 February 2010

PROXY STATEMENT

2010 Annual General Meeting

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of Protonex Technology Corporation (the “Company” or “Protonex”), a Delaware corporation, of proxies to be voted at the Annual General Meeting of Shareholders of the Company to be held at 10:00 a.m. London time on Monday, 15 March 2010 at the offices of Norton Rose, 3 More London Riverside, London, England SE1 2AQ, and any and all adjournments thereof, for the purpose set forth in the accompanying Notice of Annual General Meeting. Shareholders who execute proxies may revoke them at any time before exercise thereof. See “**OTHER MATTERS,**” below.

VOTING SECURITIES OUTSTANDING

Only shareholders of record at the close of business on 4 February 2010, the record date, are entitled to notice of, and to vote at, the Annual General Meeting and at any adjournment thereof. As of such date, there were 64,999,786 shares of Common Stock of the Company (“Common Shares”) issued and outstanding. Each Common Share is entitled to one vote with respect to all matters to be acted upon at the meeting. The holders of one-third of the Company’s Common Shares outstanding and entitled to vote, represented at the meeting in person or by proxy, shall constitute a quorum for the transaction of business.

With regard to the election of each Director who has been nominated for re-election (each a “Nominee Director”), votes may be cast in favour or withheld. Votes that are withheld from any Nominee Director will not be counted in such nominee’s favour, although they will be counted for purposes of determining whether there is a quorum. The nominees receiving a plurality of votes cast by the holders of Common Shares represented at the meeting in person or by proxy will be elected. This means that the seven nominees receiving the largest number of votes cast will be elected. With regard to ratification of the appointment of the independent auditors, approval of the increase in the Company’s authorized Common Shares and approval of the amendment to the Company’s 2003 Stock Incentive Plan, the affirmative vote of a majority of the Common Shares represented in person or by proxy and entitled to vote will be required for approval of each of these items. A properly executed proxy marked “abstain” with respect to each such matter will not be voted in favour, although it will be counted as present and entitled to vote. Because a majority vote in favour is required for approval of each of these items, an abstention will have the effect of a negative vote on these items.

ITEM 1 - ELECTION OF THE BOARD OF DIRECTORS

The Nominee Directors listed below have each been nominated to serve as a Director until the next Annual General Meeting of the Shareholders and until his successor is chosen and qualified. The proxies in the enclosed form, which are executed and returned, will be voted (unless otherwise directed) for the election of each of the Nominee Directors listed below as Director:

Harold E. Fitzgibbons – Chairman and Non-executive Director (Age 73)

Mr. Fitzgibbons is Managing Director of Top Technology Ventures and has been a director of many companies, including Johnson Matthey, Ceres Power and Polyfuel. He was educated at Harvard and Oxford and is a graduate of Harvard Law School. Previously, he was with Lehman Brothers in New York and a director of Hambros Bank. Mr. Fitzgibbons became a Director and the Chairman of the Board of Directors of Protonex on 12 May 2006, and is the Chairman of the Audit Committee of the Board of Directors.

Scott A. Pearson – Executive Director, President and Chief Executive Officer (Age 44)

Mr. Pearson joined Protonex in July of 2004 as its President and CEO. Previously, as President of Americas of Powerware Corporation (a leading UPS provider), Mr. Pearson oversaw a \$480 million operation, significantly increasing its market share, profitability and cash flow. Mr. Pearson holds an M.B.A. from MIT's Sloan School of Management, an M.S. in Mechanical Engineering from MIT and a B.S. in Mechanical Engineering from the University of Massachusetts. Mr. Pearson became President and Chief Executive Officer and a Director of Protonex on 28 July 2004.

Dr. Paul Osenar – Executive Director and Chief Technology Officer (Age 39)

Dr. Osenar co-founded the Company in 2000 and has broad experience in the development and production of advanced materials and systems. His educational background is in materials science, engineering, polymer science and organic chemistry. Dr. Osenar received a B.S. from Cornell University and a Ph.D. in Materials Science from the University of Illinois. Dr. Osenar was appointed a Director of Protonex on 6 October 2000.

John J. Connolly – Executive Director and Chief Financial Officer (Age 53)

Mr. Connolly brings over 25 years of strong financial and operations experience to Protonex. Previously, Mr. Connolly has held the position of CFO at two NASDAQ-listed companies. Most recently, he was the chief financial officer at geoVue, a leading provider of real estate location intelligence solutions. Mr. Connolly holds an M.B.A from Babson College and a B.S. in Accounting from Bentley College. Mr. Connolly was appointed Chief Financial Officer of Protonex on 6 February 2006 and Secretary of Protonex on 10 May 2006. He joined the Board on 12 May 2006.

John N. Butt – Non-executive Director (Age 50)

Mr. Butt is Chief Executive of Conduit Ventures Ltd, an FSA authorized UK based venture capital fund. He was educated at University of St Andrews, Scotland, and at the Kenan-Flagler Business School of the University of North Carolina at Chapel Hill. Mr. Butt is a British citizen and is UK FSA registered. He is a non-executive director of P21 GmbH and was previously a non-executive director of Cellex Power Systems. Mr. Butt has been a Director of Protonex since 8 October 2003, and is Chairman of the Remuneration Committee of the Board of Directors.

Akbar Naderi – Non-executive Director (Age 59)

Mr. Naderi, as a corporate Vice President, is leading the Emerging Technology Segment of the Parker Hannifin Corporation. Mr. Naderi's executive business experience includes his past responsibilities as Vice Chairman and President of a leading medical devices company. Mr. Naderi holds an M.S. in Chemical Engineering from the University of Southern California. Mr. Naderi has been a Director of Protonex since 1 April 2005, and is a member of the Audit Committee of the Board of Directors.

General (ret.) Charles R. Holland – Non-executive Director (Age 64)

General Holland retired as Commander, Headquarters US Special Operations Command, MacDill Air Force Base, Florida, in November 2003. In addition to his B.S. in Aeronautical Engineering from the US Air Force Academy, General Holland holds an M.S. in Business Management and an M.S. in Astronautical Engineering. General Holland is a director of General Atomics, AeroVironment Inc. and SELEX US Inc. and an advisor to Camber Corporation. General Holland joined the Board on 12 May 2006, and is a member of the Remuneration Committee of the Board of Directors.

A register of the interests of each Director in shares of the Company and copies of the Directors' contracts of service are available for inspection at the principal office of the Company during normal business hours on any week day (Saturday, Sunday and public holidays excepted) up to and including the date of the Annual General Meeting and then at the place of the meeting fifteen minutes prior to and until the close of the meeting.

The Board of Directors recommends that shareholders vote "FOR" the election of each of the Nominee Directors to the Board of Directors to serve until the next Annual General Meeting of the Company and his successor being elected and qualified.

ITEM 2 - RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

In accordance with the recommendation of the Audit Committee of the Board of Directors, the Company has appointed BDO Seidman, LLP as the Company's independent auditors for the fiscal year ending 30 September 2010. BDO Seidman, LLP has served as the Company's independent auditors since 16 May 2006. Services provided to the Company by BDO Seidman, LLP included the audit of the Company's financial statements for the fiscal year ended 30 September 2009, and tax compliance services. Representatives of BDO Seidman, LLP will not be present at the Annual General Meeting.

The Board of Directors recommends that shareholders vote “FOR” ratification of the appointment of BDO Seidman, LLP as the Company’s independent auditors for the fiscal year ending 30 September 2010.

In the event shareholders do not ratify the appointment, the appointment will be reconsidered by the Audit Committee and the Board of Directors.

ITEM 3 – PROPOSED INCREASE OF AUTHORIZED COMMON SHARES

The Company's Amended and Restated Certificate of Incorporation currently authorizes the Company to issue an aggregate of 85,000,000 Common Shares. As of 4 February 2010, 64,999,786 Common Shares had been issued. In addition, 8,580,669 Common Shares were reserved for outstanding options granted and available to be granted under the Company's 2003 Stock Incentive Plan. As a result, there are now only 11,419,545 authorized but unissued (or unreserved) Common Shares available for issuance from time to time for such matters as future financings, possible acquisitions of other companies, additional stock option grants or for other corporate purposes. Since such transactions often must be handled with dispatch, management considers it advisable to have such Common Shares available for prompt issuance by the Board of Directors without further shareholder approval. The Company intends to seek to raise additional capital during its current fiscal year, and the Board believes that an increase in the authorized number of Common Shares will give the Company desired flexibility in this regard and in meeting other possible future developments and needs in the Company's business. Accordingly, the Board has proposed that the Company's Amended and Restated Certificate of Incorporation be amended to increase the authorized number of Common Shares from 85,000,000 to 120,000,000 Common Shares.

The Board of Directors recommends that the Shareholders vote “FOR” approval of the proposed increase of the Company’s authorized Common Shares.

ITEM 4 – APPROVAL OF AMENDMENT TO THE COMPANY’S 2003 STOCK INCENTIVE PLAN

In January 2010, the Board of Directors of the Company approved an amendment to the Company’s 2003 Stock Incentive Plan (the “2003 Stock Plan”) to increase the number of Common Shares that may be issued under the 2003 Stock Plan by 2,300,000 Common Shares from 9,700,000 to 12,000,000 Common Shares, subject to approval by the shareholders of the Company. As of 4 February 2010, there were 709,044 Common Shares available for future grants under the 2003 Stock Plan. Management believes that the addition of 2,300,000 Common Shares to the 2003 Stock Plan is advisable in order to effectively attract and maintain key employees in the future.

Description of the 2003 Stock Plan.

Background.

The 2003 Stock Plan was adopted by the Board of Directors and approved by the shareholders in October, 2003.

Purpose of the 2003 Stock Plan.

The purpose of the 2003 Stock Plan is to secure for the Company, and any subsidiaries of the Company (each, a “Related Corporation”), the benefits arising from capital stock ownership by those employees, directors and officers of, and consultants to, the Company and any Related Corporation responsible for the Company’s future growth and continued success.

Administration of the 2003 Stock Plan.

The 2003 Stock Plan is administered by the Remuneration Committee of the Board of Directors of the Company. The Remuneration Committee in its discretion selects the key employees and other persons eligible to participate, determines the terms of awards, and makes all other determinations for administering the 2003 Stock Plan.

Eligibility.

All employees, officers, and directors of, and consultants to, the Company and any Related Corporation (collectively, the “Participants”) are eligible to receive awards of non-qualified stock options, stock appreciation rights, performance shares and restricted stock under the 2003 Stock Plan. Only Participants who are employees are eligible to receive incentive stock options. As of 4 February 2010, there were approximately 90 employees, including officers, and seven directors eligible to participate in the 2003 Stock Plan.

Types of Awards that May be Made Under the 2003 Stock Plan.

The 2003 Stock Plan permits the grant and issuance of:

- incentive stock options;
- non-qualified options;
- stock appreciation rights;
- performance shares; and
- restricted stock.

To date, only incentive stock options and non-qualified stock options have been issued to Participants under the 2003 Stock Plan.

Shares Covered by the 2003 Stock Plan.

The 2003 Stock Plan currently provides that the maximum number of Common Shares in respect of which awards may be granted pursuant to the 2003 Stock Plan shall not exceed, in the aggregate, 9,700,000 Common Shares. Any Common Shares that are reserved for options or performance shares that lapse, expire, terminate or are cancelled, and any restricted stock that is issued under the 2003 Stock Plan and thereafter reacquired by the Company, may be available for subsequent awards under the 2003 Stock Plan.

Stock Options.

Options granted under the 2003 Stock Plan may be either non-qualified stock options or incentive stock options qualifying for special tax treatment under Section 422 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”). The exercise price of any stock option may not be less than one hundred percent (100%) of the fair market value of the Common Shares on the date of grant, except in the case of incentive stock options granted to holders of ten percent (10%) or more of the total combined voting power of the Company, in which case the exercise price may not be less than one hundred ten percent (110%) of the fair market value of the Common Shares on the date of grant. The exercise price may be payable in cash, Common Shares previously owned by the optionee or a combination of cash and Common Shares previously owned by the optionee, as determined by the Remuneration Committee. Both non-qualified stock options and incentive stock options will generally have a term not to exceed ten years, except in the case of incentive stock options granted to holders of ten percent (10%) or more of the total combined voting power of the Company, in which case the term may not exceed five years.

Stock Appreciation Rights.

A stock appreciation right is the right to receive, without payment, an amount equal to the excess, if any, of the fair market value of one Common Share on the date of exercise over the grant price. Stock appreciation rights may be granted in tandem with, in addition to or completely independent of any other award. The grant price of a stock appreciation right shall be equal to the fair market value of the Common Shares on the grant date. The exercise of a stock appreciation right will entitle the holder to receive payment equal to the product of (i) the excess of the fair market value of the Common Shares on the date of exercise over the grant price and (ii) the number of shares with respect to which the stock appreciation right is exercised. The Remuneration Committee determines, when a stock appreciation right is exercised, whether the amount due the holder will be paid in cash, in Common Shares at market value on the date of exercise, or a combination thereof. No stock appreciation rights have been granted by the Remuneration Committee to date under the 2003 Stock Plan.

Performance Shares.

Performance shares are rights to receive cash or Common Shares (or a combination of cash and Common Shares), as determined by the Remuneration Committee, promptly following the achievement of certain performance goals over a specified performance period.

The Remuneration Committee determines the performance objectives of awards of performance shares. Performance objectives may vary for participants and groups of participants and are based on the performance goals that the Remuneration Committee deems appropriate. The performance period and goals will be determined by the Remuneration Committee prior to or reasonably promptly after the commencement of any performance period. No awards of performance share have been granted to date under the 2003 Stock Plan.

Restricted Stock.

Under the 2003 Stock Plan, the Remuneration Committee may grant shares of restricted stock on such terms and conditions, including without limitation purchase price (if any), vesting period and conditions, restrictions on pledging, sale, assignment, transfer or other disposition of such shares, and forfeiture, as the Remuneration Committee deems appropriate. The terms of each restricted stock award would be set forth in a stock restriction agreement authorized by the Remuneration Committee. Shares issued pursuant to a restricted stock award may not be sold, assigned, transferred or otherwise disposed of, or pledged or otherwise encumbered, except as provided in the applicable stock restriction agreement or by will or the laws of descent and distribution. A restricted stock award may be subject to vesting, with unvested shares of common stock subject to forfeiture in the event the recipient ceases to remain in the employ of the Company prior to vesting. If the recipient's employment terminates during the vesting period, the recipient may be required to return the unvested Common Shares to the Company. However, the Remuneration Committee may provide complete or partial exceptions to this requirement, as it deems equitable. Vesting can be accelerated in certain circumstances. The recipient may not dispose of the Common Shares prior to the expiration of the restriction period. During this period, the recipient is entitled to vote the Common Shares and receive dividends, except as otherwise provided in the applicable stock restriction agreement. No shares of restricted stock have been granted to date under the 2003 Stock Plan.

Awards Granted.

As of 4 February 2010, options to purchase an aggregate of 7,871,625 Common Shares had been granted and were outstanding under the 2003 Stock Plan. In addition, 1,119,331 Common Shares have been issued by the Company following the exercise of stock options previously granted under the 2003 Stock Plan. Of the options currently outstanding, (i) options to purchase an aggregate of 168,800 Common Shares have been granted to Harold E. Fitzgibbons, a Non-executive Director, (ii) options to purchase an aggregate of 256,000 Common Shares have been granted to General (ret.) Charles Holland, a Non-executive Director, (iii) options to purchase an aggregate of 1,109,798 Common Shares have been granted to Scott A. Pearson, an Executive Director, President and Chief Executive Officer of the Company, (iv) options to purchase an aggregate of 513,816 Common Shares had been granted to John J. Connolly, an Executive Director and Chief Financial Officer of the Company, (v) options to purchase an aggregate of 703,929 Common Shares have been granted to Dr. Paul Osenar, an Executive Director and Chief Technology Officer of the Company, (vi) options to purchase an aggregate of 2,926,304 Common Shares have been granted to all other current executive officers of the Company as a group, and (vii) options to purchase an aggregate of 2,192,978 Common Shares have been granted to all other employees and other Participants under the 2003 Stock Plan. As of 4 February 2010, there were 709,044 Common Shares available for future awards under the 2003 Stock Plan.

U.S. Federal Income Tax Consequences.

Incentive Stock Options. An optionee will not recognize income for U.S. Federal income tax purposes upon the grant of an incentive stock option. An optionee will also not recognize income upon the exercise of an incentive stock option; however, the difference between the option price and the fair market value of the stock acquired on the date of exercise is an item of tax preference for purposes of the alternative minimum tax. If no disposition of the stock

acquired upon the exercise of the incentive stock option occurs until after more than two years after the incentive stock option was granted and more than one year after the transfer of such stock to the optionee, any gain or loss recognized upon such disposition will be treated as long-term capital gain or loss. The disposition of the stock acquired upon the exercise of an incentive stock option within two years after the incentive stock option was granted or within one year after the transfer of the stock to the optionee will be a disqualifying disposition, and the optionee will generally recognize (i) ordinary compensation income for U.S. Federal income tax purposes in an amount equal to the excess of the fair market value on the date of exercise of the stock acquired over the option price and (ii) short or long-term capital gain (depending on how long the stock was held) to the extent the stock is disposed of in a sale or taxable exchange at a price in excess of the value of such stock on the date of exercise. If the amount realized by the optionee upon such a disposition is less than the value of the stock on the date of exercise, then the amount of income realized will be all compensation income and will be limited to the excess amount realized on the sale or exchange over the option price of the stock. The Company will be entitled to a deduction for U.S. Federal income tax purposes at the same time and in the same amount as an optionee is required to recognize ordinary compensation income as described above. To the extent that an employee recognizes capital gain as described above, the Company will not be entitled to any deduction for U.S. Federal income tax purposes.

Non-Qualified Stock Options. As is the case with an incentive stock option, an optionee will not recognize income for U.S. Federal income tax purposes upon the grant of a non-qualified stock option. However, upon the exercise of a non-qualified stock option, an optionee will generally recognize ordinary compensation income in an amount equal to the excess of the fair market value of the common stock on the date of exercise over the option price. Income tax withholding may be required if the optionee is an employee. Any gain or loss recognized by the optionee on the subsequent disposition of the stock will be capital gain or loss. The Company will be entitled to a deduction for U.S. Federal income tax purposes at the same time and in the same amount as an optionee is required to recognize ordinary compensation income as described above. To the extent that an employee recognizes capital gain as described above, the Company will not be entitled to any deduction for U.S. Federal income tax purposes.

Stock Appreciation Rights. The grant of a stock appreciation right will not result in income for the grantee or a deduction for the Company. Upon exercise of the right, the grantee will recognize ordinary income and the Company will be entitled to a deduction equal to the sum of the cash and the fair market value of the stock, if any, received by the grantee. Income tax withholding may be required if the grantee is an employee.

Performance Share Awards. The grant of a performance share award will not result in income for the grantee or a deduction for the Company. Upon the receipt of shares or cash under a performance share award, the grantee will recognize ordinary income and the Company will be entitled to a deduction measured by the fair market value of the shares plus any cash received. Income tax withholding will be required if the grantee is an employee.

Restricted Stock Awards. Recipients of restricted stock awards under the 2003 Stock Plan are required to make elections under Section 83(b) of the Code, causing the value of the awards to constitute compensation taxable as ordinary income (and subject to income tax withholding) to the participant at the time the award is granted in an amount equal to the fair

market value of the Common Shares that are the subject of the award, in excess of the purchase price, if any, paid in respect thereof. Any gain or loss on a subsequent disposition of the Common Shares will be capital gain or loss, and will be long-term capital gain or loss if the shares have been held for more than one year after the date of grant (assuming an 83(b) election is made). Generally, the Company will be entitled to a corresponding U.S. Federal income tax deduction in an amount equal to the ordinary income which the recipient has recognized but will receive no deduction for any subsequent appreciation during or after the restriction period when the shares are disposed of in a taxable transaction. In addition, dividends paid during or after the restriction period will be taxable as dividends when paid to the participant and the amount thereof will not be deductible by the Company.

Section 409A. The Company intends that all awards under the 2003 Stock Plan will comply with the requirements of Section 409A of the Code.

Amendment and Termination of the 2003 Stock Plan.

The Board of Directors may at any time and from time to time modify or amend the 2003 Stock Plan in any respect. Certain amendments, such as the proposed amendment described in this Item 4, may require shareholder approval pursuant to applicable laws or regulations, or the rules of a stock exchange or market on which the common stock may be listed. By its terms, the 2003 Stock Plan shall terminate upon the earlier of (i) the tenth anniversary of its effective date or (ii) the date on which all shares available for issuance under the 2003 Stock Plan have been issued pursuant to any awards or the exercise or cancellation of options and stock appreciation rights granted thereunder.

The Board of Directors recommends that the shareholders vote “FOR” approval of the amendment to the 2003 Stock Plan to increase the number of Common Shares that may be issued under the 2003 Stock Plan from 9,700,000 to 12,000,000 Common Shares.

OTHER MATTERS

All shares represented by proxies in the form enclosed herewith will be voted at the Meeting and adjournments thereof in accordance with the terms of such proxies, provided such proxies appear to be valid and executed by shareholders named in the register of shareholders at the close of business on the record date entitled to vote thereat and have not previously been revoked. A proxy may be revoked at any time prior to its exercise by the filing with the Secretary of the Company of an instrument revoking such proxy or a duly executed proxy bearing a later date. A shareholder’s proxy will not be voted if the shareholder attends the Meeting and elects to vote in person. Where the person solicited specifies in his proxy a choice with respect to any matter to be acted upon, the shares will be voted in accordance with the specification so made. If a shareholder returns a properly executed proxy and fails to make any specification, the proxy will be voted **FOR** the election of each of the Nominee Directors listed in Item 1, **FOR** ratification of the appointment of BDO Seidman, LLP as the Company’s independent auditors as described in Item 2, **FOR** approval of the proposed increase of the Company’s authorized Common Shares as described in Item 3, and **FOR** the approval of the amendment to the Company’s 2003 Stock Plan as described in Item 4.

By Order of the Board of Directors

A handwritten signature in cursive script, reading "John J. Connolly".

JOHN J. CONNOLLY, *Secretary*
9 February 2010