



FOR IMMEDIATE RELEASE

March 18, 2009

PROTONEX AWARDED \$3.3 MILLION CONTRACT TO DEVELOP A DEPLOYABLE FUEL CELL POWER SYSTEM FOR SMALL UNMANNED AERIAL VEHICLES

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 develop a robust, deployable pre-production fuel cell power system, designed for powering a small, unmanned aerial vehicle (UAV) that will be capable of extended flight duration and mission endurance. This work will be completed under an awarded \$3.3M contract (\$2.2M base award with a \$1.1M option) from the Department of Defense (DoD) and will draw on continuing developments by Protonex of its unmanned power systems and UAV technologies.

Under the terms of this contract, which was expected by management, Protonex will customize one of its fuel cell power platforms and will integrate it into development partner, AeroVironment's (NASDAQ: AVAV) "Puma-AE" UAV. The resulting UAV, powered by the Protonex fuel cell power system, is expected to enable new long-duration missions, not previously feasible with hand-launched UAVs powered by advanced batteries.

Protonex has already demonstrated its fuel cell power systems for small UAVs through programs with the U.S. Air Force Research Laboratory, the Naval Research Laboratory, and AeroVironment. Most recently, AeroVironment's Puma UAV, utilizing a highly advanced fuel cell system from Protonex, broke its previous flight records and flew continuously for over nine hours—three to four times the endurance capability of its current rechargeable batteries.

Until recently, extended flight endurance capabilities were only achievable with larger scale, more costly UAV platforms. With the introduction of cutting-edge fuel cell propulsion systems from Protonex, new missions such as persistent surveillance, search and rescue, chemical-biological monitoring, and other long-endurance specialty missions can be achieved by smaller, more flexible, and cost-effective UAV platforms.

"This contract represents yet another significant milestone on our path towards the full commercialization of our power systems for UAVs and is a culmination of our development and demonstration efforts to date," stated Dr. Paul Osenar, Chief Technology Officer, Protonex. "We look forward to continuing this progress to extend the reach of this UAV technology to other military and commercial markets."

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Enquiries

Protonex Technology Corporation
Scott Pearson, Chief Executive Officer
Margaret Dorsheimer, Director of Marketing

Tel: +1 508 490 9960

AeroVironment, Inc.
Steven Gitlin, Director of Marketing Strategy

Tel: +1 626 357 9983

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Redleaf Communications Limited
Press and Investor Relations
Samantha Robbins
Paul Dulieu

Tel: +44 (0)20 7566 6700
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

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.

About AeroVironment, Inc. (AV)

www.avinc.com

Building on a history of technological innovation, AV designs, develops, produces, and supports an advanced portfolio of Unmanned Aircraft Systems (UAS) and efficient electric energy systems. Agencies of the U.S. Department of Defense and allied military services use the company's hand-launched UAS to provide situational awareness to tactical operating units through real-time, airborne reconnaissance, surveillance, and target acquisition. Commercial and government entities use AV's clean transportation solutions such as electric vehicle test systems and electric vehicle fast charge systems, as well as its clean power solutions.

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.