ZTEK CORPORATION

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BREAKTHROUGH LEADS WAY FOR LOWERED HYDROGEN COSTS FOR ON-SITE PRODUCTION

Ztek's Hydrogen Reformer Seen as Viable Solution to Hydrogen Infrastructure Concerns

WOBURN, MA (May 30, 2003) -- Ztek Corporation, a leader in developing solid oxide fuel cells and hydrogen reforming technology, today announced a breakthrough in hydrogen production that brings the industry a step closer to the Department of Energy goal of making fuel cell cars operate economically comparable to gas-driven vehicles.

The Ztek on-site reformer can now produce high purity hydrogen from natural gas at a price consistent with commercially available hydrogen. With the industry's most compact package, suitable for integration into premium hydrogen refueling stations, Ztek reformers extract hydrogen from the fuel stock and water. This efficiency is two to four times as efficient as the typical electrolysis process. In addition, Ztek's reformers are ready for easy sequestration of the carbon dioxide byproduct. The result is a reformer that not only produces significant cost savings, but also eliminates greenhouse gas emissions.

"Ztek is committed to further reductions in the cost of hydrogen production toward the goal of achieving the equivalent of $2.50 per gallon of gasoline at the pump," said Michael Hsu, president and founder of Ztek. "With continued improvement in reformer output capacity, reductions in system complexity and increases in manufacturing efficiency, further significant reductions are attainable.

"When demand for hydrogen increases, we will be able to offer hydrogen at a cost competitive with gasoline and allow consumers to make an environmentally friendly choice."

"At this point, Ztek's technology is on course to lead the evolution of President Bush's hydrogen economy," said Hsu. "We are dedicated to working with various industries – most notably transportation – to make hydrogen a viable fuel source for cleaning up the environment."

The first demonstration of Ztek's hydrogen reforming technology will occur in late 2003. Ztek is collaborating with Pacific Gas and Electric to construct a hydrogen refueling station in Auburn, Calif. Ztek will participate in site preparation and be responsible for system installation, commissioning and service. When completed, the facility will serve as a satellite refueling station for the California Fuel Cell Partnership's fleet of hydrogen-powered vehicles.

About Ztek

Ztek Corporation is located in Woburn, Massachusetts. The company's mission is to develop and commercialize the world's cleanest, most efficient fossil fuel energy conversion devices. Founded in 1983, Ztek has been engaged in the development of solid oxide fuel cell technology and the commercialization of hydrogen-reforming products. It holds more than 200 U.S. and international patents on its various key innovations for achieving improved efficiency, simplified and reduced cost of production.

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