



FOR IMMEDIATE RELEASE

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Ztek Joins California Fuel Cell Partnership
Project With Pacific Gas And Electric Will Establish Hydrogen Refueling Station

WOBURN, MA (January 7, 2003) – Ztek Corporation, a leader in the development of on-site hydrogen reformer technologies and Solid Oxide Fuel Cells (SOFC), today announced that it has joined the California Fuel Cell Partnership, a consortium of automobile companies, energy providers, fuel cell manufacturers and government agencies committed to the commercialization of fuel cell vehicles.

As an associate partner, Ztek will collaborate with Pacific Gas and Electric of San Francisco, CA (PG&E) to construct a hydrogen refueling station at PG&E's Service Center and Division Office in Auburn, CA. 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 Partnership.

"We are excited to be part of the fuel team at the California Fuel Cell Partnership," said Michael Hsu, President and CEO of Ztek. "A distributed hydrogen station with on-site natural gas reforming such as the one to be provided by Ztek can drastically reduce the local hydrogen storage, resulting in a smaller footprint for the hydrogen station and a higher degree of safety and efficiency."

Ztek is developing a Zero-Emission System (ZES) for hydrogen refueling applications. Soon to be commercially available, the system will be a hydrogen and electricity co-production unit and will be configurable to accommodate various electrical and hydrogen capacity needs. The efficiencies and economics of the ZES system, which encompasses the integration of a SOFC and a high temperature steam reformer, will be highly attractive as a distributed energy solution of the future.

About Ztek Corporation

Ztek Corporation is a privately held corporation 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, including hydrogen-reforming technology. It holds more than 170 U.S. and international patents on its various key innovations for achieving improved efficiency, simplified and reduced cost of production.

About Pacific Gas and Electric

Pacific Gas and Electric Company is one of the largest combination natural gas and electric utilities in the United States. Founded in 1905 and based in San Francisco, the company provides natural gas and electric service to approximately 13 million customers throughout a 70,000 square-mile service area in northern and central California.

About California Fuel Cell Partnership

The California Fuel Cell Partnership is a voluntary effort to advance a new automobile technology that could move the world toward practical and affordable environmental solutions. CaFCP is demonstrating fuel cell-powered electric vehicles under real day-to-day driving conditions; testing alternative fuels and demonstrating the viability of an alternative fuel infrastructure technology; exploring the path to commercialization; and increasing public awareness of fuel cell electric vehicles. The Partnership expects to place more than 60 fuel cell passenger cars and fuel cell buses on the road by the end of 2003.