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**Ztek Corporation to Collaborate with U.S. Department of Navy
on Hydrogen Fueling Station**

Project at Camp Pendleton will Advance Commercialization in Southern California

Woburn, MA (February 27, 2006) - Ztek Corporation, a leader in the development of hydrogen reforming technology, today announced that it has reached agreement with U.S. Department of Navy (DoN) to collaborate on a hydrogen fueling station project at the U.S. Marine Corps Base Camp Pendleton adjacent to Oceanside, CA. When operational, the station will serve both military and commercial hydrogen vehicles in the area. This collaboration follows the policy of the U.S. Department of Defense in developing "Dual Use" programs.

Ztek will supply a High Performance Steam Reformer (HPSR) with a capacity sufficient to service the military needs on the base and civilian hydrogen vehicles from the area. Surplus hydrogen produced by the station could potentially be made available to other stations to provide increased travel coverage for area hydrogen vehicles. Funding for the project will be provided jointly by Ztek and the DoN, with the potential participation of the State of California through its "Hydrogen Highways" initiative.

"This opportunity will allow Ztek to demonstrate its technology in a unique setting," said Michael Hsu, President and founder of Ztek. "In addition, it will provide access to the emerging military market and allow Ztek an additional presence in the exciting California market."

Camp Pendleton's participation will both advance fuel cell vehicle technologies for military applications and also stimulate commercialization in a region poised for transportation alternatives. The fueling approach offers site permitting advantages. Low emission reforming systems for on-site hydrogen production not only address environmental requirements but also improve site safety by greatly reducing the quantity of hydrogen for on-site storage.

Southern California features a large population and supportive local governments. Additionally, the region has four major OEM bases of hydrogen vehicles, including GM, Toyota, Honda, and Hyundai. The availability of regional hydrogen stations will further nurture manufacturers' and public's supportive attitude towards leasing, selling and owning hydrogen vehicles.

About Ztek Corporation

Ztek Corporation is a hydrogen reformer and fuel cell development and manufacturing company located in Woburn, MA. Founded in 1983, its mission is to develop and commercialize the world's cleanest, most efficient fossil fuel energy conversion devices. Since its founding, Ztek has secured over 200 U.S. and international patents on its various key innovations for achieving improved efficiency and simplified and reduced cost of production.

About DoN's Program on Hydrogen Vehicle Testing

Department of Navy is pursuing several programs to improve air quality and promote petroleum conservation. In addition to using several alternative fuels in administrative fleet vehicles at several sites throughout the U.S., DoN is supporting testing of hydrogen fuel cell vehicles in order to advance clean, quiet, and efficient transportation.