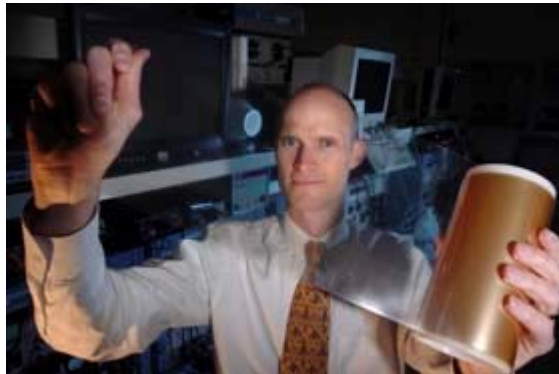


## Fuel Cell Works

*PolyFuel A World Leader in Engineering Membranes for Fuel Cells Admitted to the Alternative Investment Market (AIM)*

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PolyFuel, Inc. ('PolyFuel'), a world leader in engineering membranes for fuel cells, today announces the admission of its common shares and Series A warrants to the Alternative Investment Market ('AIM') and the commencement of dealing in its shares. Collins Stewart Limited is acting as nominated adviser and broker to PolyFuel.



Picture shows Jim Balcom, President and CEO of PolyFuel-Photo by Vismedia

### Highlights

- The Company has raised £8 million through a placing of 15,686,276 shares and 7,843,138 warrants
- The placing was made at a price of 51p for one common share and one half of a warrant
- Each of the securities being issued consists of one common share and a warrant to purchase one half of a common share of the Company
- Based on the placing price of 51p per security and 44,461,582 common shares in issue, PolyFuel will have a market capitalisation of approximately £22.7 million
- The warrants issued in connection with the placing will be exercisable

for a period of 18 months from the Admission date at a price of 60p per share, which will raise a further £4.7 million if exercised in full

- Appointment of two new Non-Executive Directors - Graham Titcombe (62) and Harry Fitzgibbons (68)
- The shares have been listed on AIM under the symbol of PYF and the warrants under the symbol of PYFW.

Jim Balcom, Chief Executive of PolyFuel, said:

'This is an extremely exciting moment for PolyFuel. The funds raised from our listing on AIM will help us to accelerate the next phase of our development in engineering fuel cell membranes for the portable electronics market.

The Directors believe that our market leading hydrocarbon membrane technology has the potential to deliver significant opportunities by 2007/08 when fuel cells will be commercially available and will enable laptops, 3G mobiles and other portable electronics devices to deliver unlimited, unplugged run-times.

We have seen excellent support from our venture capital shareholders since 1999, and we now look forward to driving PolyFuel's next stage of development and to delivering value to our existing and new shareholders.'