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QUALLION PLANS TO EXPAND CALIFORNIA LITHIUM ION BATTERY MANUFACTURING FACILITIES

Clean Energy Plant Will Create Hundreds of Green Jobs in Southern California

Sylmar, CA (May 19, 2009) — Today, Quallion LLC, the world leader in the development of customized high quality lithium ion batteries for medical, military, aerospace, and vehicle applications, announced that it had submitted a proposal to the U.S. Department of Energy (DOE) for a grant under the Recovery Act – Electric Drive Vehicle Battery and Component Manufacturing Initiative. The company hopes to build a new \$220M state-of-the-art lithium ion battery manufacturing facility in Southern California that will directly support President Obama’s goal to Get One Million Plug-In Hybrid Cars on the Road by 2015. Also, the expansion of Quallion’s American-grown operations will significantly increase America’s influence in the lithium ion battery industry, which is currently dominated by Asian companies.

“Now, more than ever, America understands the need to invest in home-grown clean energy technologies for automobiles and heavy-duty trucks that reduce gasoline consumption and decrease CO2 emissions,” said Paul Beach, Quallion President. “Lithium ion batteries manufactured in Quallion’s new facility will deliver a real and immediate clean energy solution that will also greatly improve our country’s energy independence and deliver jobs when Americans need them most.”

If its DOE bid is accepted the construction of Quallion’s facility will immediately create more than 400 construction and manufacturing jobs. Once completed, the facility has the potential to create up to 2,350 long-term skilled American jobs in Southern California and across the country supporting the production and installation of advanced lithium ion battery technology for heavy duty trucks. The facility, which will be fully operational by 2012, could produce more than 20,000 lithium ion batteries each year.

The DOE funding will allow Quallion to build on its proven experience manufacturing large format lithium ion batteries for military vehicles and leverage the benefits of mass production by setting up a right-sized production facility, which will allow it to implement many of its proprietary technologies. Quallion’s Zero-Volt™ battery technology enhances safety in the manufacture and servicing of these high voltage batteries by allowing the charge to be completely removed while they are handled by technicians. Quallion’s SaFE-LYTE™ technology will also serve as a critical safety technology inside the battery by introducing a fire extinguishing element to the system that does not impact battery performance.

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The initial focus for Quallion's new facility will be the production of zero emission advanced lithium ion batteries designed to replace engine idling as a power source for stationary trucks. Anti-idling laws, which forbid the use of engine idling in a stationary truck to power electrical systems that run air conditioning, heat, etc., exist in 24 states and the District of Columbia. Additionally, according to the U.S. Environmental Protection Agency, truck idling results in the emission of 11 million tons of CO₂ and consumes of 960 million gallons of diesel fuel annually. With the DOE money Quallion will be able to deliver a "shovel ready" clean energy solution that enables the 1 million heavy trucks on American roads to comply with the growing number of anti-idling laws across the U.S., eliminate unnecessary pollution, and significantly reduce America's consumption of fossil fuels.

Quallion currently produces high volume medical and military batteries as well as custom-designed aerospace batteries. Cell designs range from the world's smallest conventional lithium ion cell (a cylindrical 1.8 mAh cell) for medical implants to large 15 and 72 Ah prismatic cells. Quallion also has extensive experience with the commercialization of its module type battery configurations using its proprietary Matrix™ technology that will allow for scalable battery designs that can be quickly and cost effectively reconfigured for use in a variety of vehicles from heavy duty trucks to passenger cars.

About Quallion LLC

Quallion LLC was founded in 1998 by biotechnology and aerospace entrepreneur Alfred E. Mann and lithium ion battery specialist Dr. Hisashi Tsukamoto. The company designs, fabricates and manufactures state-of-the-art lithium ion cells and battery packs, and develops new battery chemistries for the military, aerospace, medical and automotive industries. Building on its legacy leadership position in the medical device industry, the company has developed a range of novel enabling technologies that include the world's smallest implantable secondary battery and the proprietary Zero-Volt™ and SaFE-LYTE™ technologies. Leveraging its core engineering capabilities, Quallion has established itself as a leader in applications where advanced battery technology, safety, reliability and custom engineering are most valued. The company possesses more than 60 chemistry, cell and battery patents and has 90 pending patents. Company certifications include ISO 9001:2000, AS9100B, and ISO 13485:2003. Visit www.quallion.com for more information.