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QUALLION LLC ANNOUNCES PLANS TO EXPAND U.S. LITHIUM ION BATTERY MANUFACTURING OPERATIONS WITH NEW $200M STATE-OF-THE-ART FACILITY

Largest Manufacturer of Lithium Ion Batteries in the U.S. Will Create Hundreds of Skilled Jobs in Southern California

Sylmar, CA (April 8, 2009) — Today, Quallion LLC, the world leader in the development of customized lithium ion batteries for medical, military, aerospace, and vehicle applications, announced plans to build a new state-of-the-art battery manufacturing plant. The proposed facility has the potential to create more than 2,000 new jobs nationwide for skilled American workers and will significantly expand America's influence in the Asian-dominated lithium ion battery industry.

Quallion is submitting an application under the U.S. Department of Energy Recovery Act Electric Drive Vehicle Battery and Component Manufacturing Initiative to qualify for up to $200M in grants to support the construction of a new lithium ion battery facility in Southern California. If Quallion's application is approved by the DOE its new state-of-the-art manufacturing facility will support the production of advanced lithium ion cell, module and battery technology in volumes relative to the U.S.' current and future military and commercial application needs.

"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 Senior Executive Vice President. "Lithium ion batteries manufactured in Quallion's new facility will deliver a real and immediate clean energy solution, which will also greatly improve our country's energy independence and deliver jobs when Americans need them most."

The importance of this effort lies in Quallion's ability to domestically produce technologies that were barred from the market due to cost constraints. The DOE funding will allow Quallion to leverage the benefits of mass production by setting up a right-sized production facility in Southern California that will allow it to implement many of its key technologies. Quallion's Zero-Volt™ battery technology will enhance safety in the manufacture and servicing of these high voltage batteries by allowing the charge to be completely removed while they are being 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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Quallion's new facility will produce zero emission advanced lithium ion batteries designed to replace engine idling as a power source for stationary trucks. According to the EPA, truck idling results in the emission of 11 million tons of CO2 and consumes of 960 million gallons of diesel fuel annually. Fitting America's 1 million heavy-duty trucks with lithium ion batteries will 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.