



Phostech Lithium

Phostech Lithium inc.
1475, Marie-Victorin
Saint-Bruno-de-Montarville
J3V 6B7
Tel.: 450-653-1810
www.phostechlithium.com

SÜD-CHEMIE
CREATING PERFORMANCE TECHNOLOGY



SÜD-CHEMIE AG
Corporate Communication
Lenbachplatz 6
D-80333 Munich
Tel.: 089 5110-247
www.sud-chemie.com

PRESS RELEASE

World's largest production plant using a new high-quality production process for lithium iron phosphate for a new battery generation for electric vehicle drives to be established in Quebec - Canada:

Süd-Chemie invests EUR 60 million in series production of the battery material lithium iron phosphate for electric vehicle drives

Süd-Chemie AG, a worldwide leading specialty chemical company based in Munich/Germany, is investing approximately EUR 60 million in the production of lithium iron phosphate (LFP), a high performance energy storage material used in batteries for electric vehicle drives and other applications. On the new site of its wholly-owned Canadian subsidiary, Phostech Lithium Inc. in Candiac/Quebec, the German group is constructing the first industrial production plant for LFP using a new, proprietary production process based-on wet chemistry. By using this process, high grade LFP can be produced in both stable and consistent quality.

Commercial production for series delivery will start in 2012 to reach a rate of 2,500 tons per year. Such volume, will allow the production of approximately 50,000 all-electric automobiles or, alternatively, up to 500,000 vehicles with hybrid drive per year. As a result of the high demand, Süd-Chemie is considerably expanding its production capacity for LFP based on its new wet chemistry production process a technology by which Süd-Chemie can already currently manufacture up to 300 tons of LFP per year at its site in Moosburg/Germany.

With its new technology of wet chemistry synthesis, Süd-Chemie can manufacture LFP in a hitherto unique quality and with superior product characteristics. Süd-Chemie's LFP can thus contribute to a new generation of powerful, safe, reliable, and durable lithium ion batteries achieving a breakthrough in electric vehicle drives. Compared with other cathode materials for lithium ion batteries, the LIFE Power[®]-brand LFP manufactured by

Süd-Chemie is characterized not only by high energy density but also by a superior safety of the material, particularly long service life, favorable manufacturing cost profile and excellent cycle stability, i.e. stable and reliable charge and discharge characteristics even in long-term use.

Besides electric vehicle drives, the LFP has great potential in high-performance storage batteries, e.g. for stabilizing peak supply or for storing photovoltaic electricity. In addition, LFP manufactured by Süd-Chemie is already successfully used in power tools, starter batteries for passenger vehicles, and electric scooters in Europa, Asia, and North America. Süd-Chemie Group has an excellent global IP position for the manufacture and use of lithium iron phosphate in batteries as well as a strong patent position for its proprietary wet chemistry based production process for LFP.

Dr. Günter von Au, chairman of the Managing Board of Süd-Chemie AG, said: "This investment is of central strategic importance to Süd-Chemie. Our LFP will establish itself as a storage material for large high-performance batteries, thus enabling electromobility to achieve an overall breakthrough in the automotive industry. This is particularly due to the high performance as well as the superior safety and the long-life cycle as well as the stable charging characteristics facilitated by our LFP."

Dr. Hans-Joachim Müller, a member of the Managing Board of Süd-Chemie AG, commented: "With this investment, we are now significantly expanding our production capacity in this market of the future, which will allow us to meet the heavily increasing demand from our strategic customers in the automotive and battery industries. Our outstanding patent situation, high-quality manufacturing process and our already strong LIFE Power® product brand put us in an excellent position in the fast-growing market for battery materials."

Munich/Germany, 12 July 2010

Enquiries to:

Süd-Chemie AG
Corporate Communications
Patrick Salchow, Jochen Orłowski
Tel.: +49 (0) 89 5110-250/-247

Phostech Lithium inc.
Director Sales & Marketing
Michel Parent
Tel.: 450-653-1810 ext.: 246

About Süd-Chemie

Süd-Chemie (www.sud-chemie.com) is a publicly quoted (Security Identification Number ISIN: DE0007292005; WKN: 729200) specialty chemicals company headquartered in Munich, Germany and operating on a worldwide scale. Key markets served by its Adsorbents Division include the consumer goods, packaging and foundry industries, as well water treatment. Products manufactured by the Catalysts Division offer solutions for the chemical, petrochemical and refinery industries, for energy storage and hydrogen production, as well as off-gas purification. The common denominator of all Süd-Chemie products and services is the efficient and sparing use of natural resources to enhance the quality of life for humans and the environment. The Süd-Chemie Group generated sales of EUR 1.072 billion in 2009, approx. 85% of these outside Germany. At the end of 2009, the Group employed some 6,500 people in its 80 sales and production companies worldwide.

In addition, Süd-Chemie specializes in developing innovative, environmentally friendly storage materials for battery applications, partly in conjunction with its Canadian subsidiary, Phostech Lithium Inc., Saint-Bruno. The company focuses primarily on developing and manufacturing lithium iron phosphate (LiFePO₄, LFP) – an innovative cathode material which, thanks to its excellent performance and superior safety profile, is expected to contribute to the breakthrough of the new generation of lithium ion batteries for hybrid and electric engines in the automotive industry. By way of its wholly-owned subsidiary, Phostech, Süd-Chemie holds an excellent global IP (intellectual property) position for using lithium iron phosphate in batteries. Thanks to this first-rate patent situation, its own top-quality wet chemistry based manufacturing process for LFP and its strong LIFE Power® product brand, the Süd-Chemie Group is strategically well-positioned in the attractive fast-growing market for battery materials.

LiFeP₄WER
PERFORMANCE BATTERY MATERIAL