

PRESS RELEASE

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## **PowerGenix and Major Chinese Industrial Partner Announce Joint Venture**

**JV will break ground for new factory in heart of Chinese auto industry**



**POWERGENIX**

SAN DIEGO & HUAINAN, China, Jan 10, 2012 (BUSINESS WIRE) -- PowerGenix, the leading developer and manufacturer of high performance Nickel-Zinc (NiZn) batteries, today announced a joint venture with China City Construction Corporation (CCCC), one of the largest infrastructure investment and development companies in China. In the near term, the JV will develop, manufacture and sell advanced batteries for the automotive market and other markets where clean, high power and cost competitive battery products are needed, including markets supporting grid-scale applications.

CCCC is one of China's most vaunted state-owned enterprises (SOEs), investing more than \$12.6 billion a year in urbanization projects, and joins the JV both to support the Chinese government's clean energy initiative and for the growth opportunities the venture affords. This joint venture will initially focus on batteries for the mushrooming micro-hybrid (start/stop) vehicle market, a market in which the China government is taking aggressive action to minimize the environmental damage generated by the lead-acid battery product. Pike Research projects that the micro-hybrid market will reach 34 million vehicles sold annually by 2015.

"With air quality standards tightening worldwide and oil growing ever more precious, vehicle manufacturers are hard at work implementing new ways to cut CO2 emissions and boost fuel economy," said Dan Squiller, CEO of PowerGenix. "Start/stop vehicles are among the most cost effective ways for auto manufacturers to reach their goals and meet the stricter government mandates that are to come. Our high power nickel zinc batteries have been optimized to meet the unique needs of this segment. By the end of 2012, the joint venture will have capacity to produce 400,000 auto batteries per year."

Strategically located in Anhui province, the home base of many leading Chinese automotive engineering and major vehicle OEMs, the factory will be built from the ground up to meet the quality and cost requirements of auto customers. The JV's product will be ready for customer qualification and will enter pilot production in the second half of 2012. Factory production will scale rapidly in the coming years.

"PowerGenix consistently impresses us with their understanding of global market needs and their ability to innovate nimbly to meet them," said Ge Jin, group vice president of China City Construction Corporation and chairman of CCCC Anhui Co., Ltd. "Since it has become clear that China must move beyond lead batteries, we welcome the opportunity to bring environmentally friendly and cost competitive Nickel-Zinc chemistry to global markets."

PowerGenix's research facility in Shenzhen will continue to expand the largest NiZn patent portfolio in the world, pushing forward the technology to serve PowerGenix partners' needs, including those of the new JV, officially named CCCC-PowerGenix Clean Energy Co., Ltd. (Anhui).

#### About PowerGenix

PowerGenix has developed and patented a high-power and low-cost Nickel-Zinc battery for hybrid electric vehicles, industrial products, and stationary storage applications. PowerGenix Nickel-Zinc batteries outperform lead-acid and nickel-metal hydride (NiMH) batteries in a smaller and lighter form-factor, and avoid the high cost and safety issues associated with lithium-ion (Li-ion) batteries -- providing a highly recyclable alternative to existing technologies in the multi-billion dollar rechargeable battery market. For more information, please visit <http://www.powergenix.com> .

#### SOURCE: PowerGenix

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