

For Immediate Release

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## **Compact Power, Inc. Bringing Lithium-Ion Battery Technology To North America**

Detroit, Mich. – October 16, 2006 – Compact Power, Inc. (CPI), a subsidiary of LG Chem, is investing to bring lithium-ion battery technology to the North American hybrid vehicle market.

With the support of a Michigan State Tax Credit of \$3.8 million, CPI moved its headquarters in 2005 from Colorado to Michigan to provide a local source for the research, engineering and production of lithium-ion battery packs for the automotive industry. Under the leadership of its CEO, Dr. Prabhakar Patil, CPI has currently assembled a team of 15 technicians, engineers and managers since its relocation. CPI has plans to invest up to \$20 million and add over 150 jobs during the next 10 years.

LG Chem, a \$12 billion Korean-based chemical company, is one of the largest producers of advanced chemicals and materials in the world and a leading supplier of lithium-ion batteries. Recognizing the North American market as a strategic priority, LG Chem formed CPI to focus on bringing lithium-ion battery technology to this market. In 2005, CPI moved to Michigan to focus on the North American hybrid electric vehicle market.

LG Chem provides battery cell expertise and a respected global brand that adds value to CPI's business mission of becoming the supplier of choice for lithium-ion battery systems. With LG Chem's leading-edge technology and increased investments, CPI and LG Chem are striving to be among the world's top battery system suppliers to the hybrid electric vehicle market.

“For several fundamental reasons, lithium-ion will become the dominant battery technology for hybrid electric vehicles in North America within the next four years, as has happened in consumer electronics” said Patil. “As such, CPI is ideally positioned to lead the industry in this emerging market.”

CPI currently is in discussions with several automotive OEMs and non-automotive Tier One companies to supply lithium polymer battery packs. The company has received a letter of intent to produce battery packs from a major commercial vehicle OEM.

CPI continues to work with the United States Advanced Battery Consortium (USABC), an organization consisting of US carmakers and the US Department of Energy, to develop lithium-ion battery technology for hybrid electric vehicle applications. CPI has been involved with USABC since 2002.

### **About Compact Power, Inc.**

Compact Power, Inc. (CPI) is a North American subsidiary of LG Chem, one of the world's largest producers of lithium-ion batteries for automotive hybrid electric vehicles and non-automotive (commercial and military) markets. The company was formed in 2001 in the United States and is headquartered in Troy, Mich., at the heart of the automotive industry. CPI's mission is to become the supplier of choice for lithium-ion battery technology. To learn more about CPI, please visit: [www.compactpower.com](http://www.compactpower.com).

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