

**For Immediate Release**

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**Compact Power, Inc. Wins Lithium-Ion Battery Development Program  
For General Motors Hybrid Electric Vehicles**

**Troy, Mich. – June 5, 2007** – Compact Power, Inc. (CPI), a subsidiary of LG Chem, announced today it has been chosen by General Motors Corp. to develop a lithium-ion battery system for the carmaker's innovative E-Flex propulsion system. The E-Flex electric vehicle architecture underpins the Chevy Volt concept car shown earlier this year and is being developed as part of GM's strategy to diversify transportation away from petroleum.

The 12-month program involves the development of battery cells and battery packs using LG Chem's lithium-ion technology designed to meet the stringent energy and power requirements of these highly fuel efficient vehicles.

The cells will be developed and supplied by LG Chem, CPI's parent company, while CPI will focus on pack development and assembly including mechanical integration, thermal and electronic management and vehicle interface.

"This development contract further validates that lithium-ion is the preferred battery technology for the automotive industry," said Prabhakar Patil, CEO of CPI. "Our expertise and leadership in lithium-ion batteries will contribute significantly to this program. We are honored to partner with GM in bringing a line of vehicles to the marketplace that are technologically advanced and provide exceptional fuel economy

and reduced greenhouse gas emissions. This award is a significant step in our goal to become the vehicle OEM's supplier partner of choice for HEV battery systems.”

“This technology is developing rapidly,” said Denise Gray, GM director of hybrid energy storage devices. “This contract is an opportunity to deeply understand the differing battery technologies before making a production decision.”

First shown in January 2007 at the North American International Auto Show (NAIAS) in Detroit, the E-Flex concept was introduced as part of the Chevy Volt concept car. It is an electric vehicle with a traveling range of up to 40 miles using battery power and a small engine with a generator to extend its range to 640 miles. A plug-in fuel cell variant of the E-Flex system was shown at the Shanghai Auto Show in April.

During the 12-month period of the development program, CPI will go through three phases:

1. Battery cell/module development and testing
2. Battery pack development and testing
3. In-car integration and testing.

According to industry studies, lithium-ion batteries are expected to surpass nickel-metal hydride (NiMH) batteries as the standard in batteries for hybrid electric vehicles in the next three to five years. Lithium-ion has several advantages over NiMH batteries, including:

- Higher voltage
- Lower weight
- Smaller volume
- Greater power and performance
- Longer life
- Wider temperature range performance
- Less environmental impact.

## **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. 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 in the mobile energy market. To learn more about CPI, please visit: [www.compactpower.com](http://www.compactpower.com).

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