



Hoku and Suntech Amend Supply Agreement to Adjust Milestone & Shipping Schedules

POCATELLO, ID and WUXI, CHINA, Jul 10, 2009 (MARKETWIRE via COMTEX News Network) -- Hoku Materials, Inc., or Hoku, a wholly owned subsidiary of Hoku Scientific, Inc., or the Company (NASDAQ: HOKU), established to manufacture and sell polysilicon for the solar market, and Suntech Power Holdings Co., Ltd., or Suntech (NYSE: STP), the world's largest manufacturer of crystalline silicon photovoltaic (PV) modules, today announced that they have amended their polysilicon supply contract to delay the deadlines for Hoku to achieve three polysilicon plant operation milestones. The effectiveness of the amendment is contingent on Hoku entering into a definitive agreement that would result in a change of control of Hoku, and the closing of any such transaction by March 31, 2010. The Company confirmed that it has retained Deutsche Bank Securities Inc. as its financial advisor to seek a possible sale of Hoku.

Before the amendment becomes effective, Suntech has the right to terminate the contract if Hoku is unable to successfully complete a polysilicon reactor test demonstration, ship the first monthly quantity of polysilicon, or achieve a trichlorosilane (TCS) plant operation milestone, by September 30, 2009, December 31, 2009, and December 31, 2009, respectively. As amended, Hoku's deadlines to achieve these milestones may be moved to December 31, 2009, March 31, 2010, and December 31, 2010, respectively.

In exchange for Suntech extending these deadlines, Hoku has agreed in the amendment to reduce Suntech's aggregate prepayment obligation. The prepayment reduction is effected through the elimination of the TCS plant operation milestone payment. In addition, Hoku has authorized Suntech, prior to the effectiveness of the amendment, to immediately replace its cash-collateralized, stand-by letter of credit that was issued by ABN AMRO NV, with a stand-by letter of credit issued by a bank in China, which may be collateralized with non-cash assets. Suntech expects that this will have the immediate impact of freeing Suntech's restricted cash.

Suntech has already paid Hoku \$2 million in prepayments in 2007, and made an equity investment of \$20 million as an investor in Hoku's private offering of its common stock in February 2008.

"Although our construction progress has remained on-track to achieve the reactor demonstration and shipping milestones by September 30, 2009, and December 31, 2009, respectively, our need to raise additional capital has increased the risk that we might miss these deadlines," said Dustin Shindo, chairman and chief executive officer of Hoku Scientific, Inc. "As we previously announced our intention to delay the construction of our TCS plant to preserve capital, our ability to achieve a TCS production milestone by December 31, 2009, is now highly unlikely. The TCS milestone payment would likely not be received until the middle of 2010; therefore, this prepayment is not as critical for our near-term capital requirements. Suntech is our largest customer in terms of 10-year polysilicon contract supply volume, and their willingness to move these near-term contract termination dates should help us attract investment capital or a potential buyer for our Company."

"We have been trying to raise the capital needed to build our plant since 2006," said Mr. Shindo. "We have succeeded in securing approximately \$243 million in customer prepayments, plus an additional \$41 million in equity. However, we still have a financing gap of at least \$106 million to complete our 4,000 metric tons per year polysilicon plant. Given our current market capitalization, it is unlikely that we will be able to secure the capital we need without selling a majority of our stock or assets. That being the case, we are seeking a strategic buyer for the Company, while simultaneously seeking debt and equity financing alternatives."

"We believe in Hoku's ability to overcome its current challenges in raising capital," said Dr. Zhengrong Shi, Suntech's chairman and CEO. "They have done an admirable job with the construction of their plant, and we look forward to receiving our first shipment of polysilicon from Hoku."

About Hoku Scientific, Inc.

Hoku Scientific (NASDAQ: HOKU) is a diversified clean energy technologies company with three business units: Hoku Materials, Hoku Solar and Hoku Fuel Cells. Hoku Materials plans to manufacture, market, and sell polysilicon for the solar market from its plant currently under construction in Pocatello, Idaho. Hoku Solar markets, sells, and installs turnkey photovoltaic systems in Hawaii. Hoku Fuel Cells has developed proprietary fuel cell membranes and membrane electrode assemblies for stationary and automotive proton exchange membrane fuel cells. For more information visit www.hokucorp.com.

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About Suntech

Suntech Power Holdings Co., Ltd. (NYSE: STP) is the world's leading solar energy company as measured by production output of crystalline silicon solar modules. Suntech designs, develops, manufactures, and markets premium-quality, high-output, cost-effective and environmentally friendly solar products for electric power applications in the residential, commercial, industrial, and public utility sectors. Suntech's patent-pending Pluto technology for crystalline silicon solar cells improves power output by up to 12% compared to conventional production methods.

Suntech also offers one of the broadest ranges of building-integrated solar products under the MSK Solar Design Line(TM). Suntech designs and delivers commercial and utility scale solar power systems through its wholly owned subsidiary Suntech Energy Engineering and will own and operate projects greater than 10 megawatts in the United States through Gemini Solar Development Company, a joint venture with Renewable Ventures, a Fotowatio company. With regional headquarters in China, Switzerland and San Francisco and sales offices worldwide, Suntech is passionate about improving the environment we live in and dedicated to developing advanced solar solutions that enable sustainable development. For more information, please visit <http://www.suntech-power.com>.

Forward-Looking Statements

This press release contains forward-looking statements that involve many risks and uncertainties. These statements relate to Hoku's ability to complete its polysilicon reactor test demonstration, ship the first monthly quantity of polysilicon, or achieve a trichlorosilane (TCS) plant operation milestone, by December 31, 2009, March 31, 2010, and December 31, 2010, respectively, or at all; Hoku's ability to successfully derive revenues from the sale of polysilicon to Suntech, and the amount and timing of those revenues; the Company's and Hoku Materials' ability to raise debt or equity capital to finance the construction of its polysilicon plant, or to sell a majority of its stock or assets to an acquiring company; its ability to engineer and construct a production plant for polysilicon; Hoku's relationship with Suntech; its ability to manufacture polysilicon; the Company's future financial performance; its business strategies and plans; and objectives of management for future operations. In some cases, you can identify forward-looking statements by terms such as "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "would" and similar expressions intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, time frames or achievements to be materially different from any future results, performance, time frames or achievements expressed or implied by the forward-looking statements. Given these risks, uncertainties and other factors, you should not place undue reliance on these forward-looking statements. In evaluating these statements, you should specifically consider the risks described in the Company's filings with the Securities and Exchange Commission. Except as required by law, the Company assumes no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

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SOURCE: Hoku Scientific, Inc.; Suntech Power Holdings Co., Ltd.

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