



Valence Technology & Tennant Company Sign Supply Agreement for Lithium Phosphate Energy Storage Solutions

Valence Technology's U-Charge(R) XP Line to Power New Line of Compact Floor Scrubbers

AUSTIN, Texas & MINNEAPOLIS, Oct 27, 2009 (BUSINESS WIRE) -- Valence Technology, Inc. (NASDAQ: VLNC), an international developer of safe lithium phosphate energy storage solutions, today announced a two-year supply agreement with Tennant Company (NYSE: TNC), a leading U.S.-based manufacturer of commercial and industrial floor maintenance equipment. Building on a collaborative development process, Valence Technology will provide lithium phosphate batteries for installation in Tennant's newest compact floor scrubber. This compact, low-profile floor scrubber offers an alternative for traditional lead-acid battery and plug-in powered models. National testing of the new lithium phosphate powered scrubber will commence in November 2009 with full production scheduled for early 2010.

Under terms of the supply agreement, the new Tennant compact floor scrubbers will be powered by the Valence Technology U-Charge(R) XP line of energy storage solutions, which are complemented by Valence's custom Battery Management System (BMS) to monitor battery health and performance.

"Growing acceptance of our safe lithium phosphate energy storage solutions across industrial applications reflects the performance, reliability, flexibility and immediate availability of our family of U-Charge(R) XP systems," said Robert L. Kanode, president and CEO of Valence Technology. "We are pleased to announce this supply agreement as it reflects the hard work and collaboration of both the Tennant and Valence Technology teams. This partnership with Tennant epitomizes our approach to work with our customers from initial introduction to final adoption and educate customers on the benefits of our technology over traditional lead acid batteries."

"In the past, larger and heavier power solutions have limited the ability to develop smaller scrubber solutions capable of replacing the 'mop and bucket' method of cleaning," said Steve Ulvi, VP for Global Sourcing of Tennant Company. "Valence Technology has removed this barrier by creating a smaller, lighter lithium phosphate battery. As a result, Tennant has been able to leverage Valence's leading-edge technology to build a smaller, more versatile floor scrubber. We are excited to collaborate with a company committed to creating innovative solutions to solve real-world customer challenges."

About Valence Technology, Inc.

Valence Technology is an international leader in the development of lithium phosphate energy storage solutions. The company has redefined lithium battery technology and performance by marketing the industry's first safe, reliable and rechargeable lithium phosphate battery. Valence today offers a proven technology and manufacturing infrastructure that delivers ISO-certified products and processes that are protected by an extensive global patent portfolio. Headquartered in the United States Valence Technology has facilities in Austin, Nevada, China and Northern Ireland. Valence Technology is traded on the NASDAQ Capital Market under the ticker symbol VLNC. For more information, visit www.valence.com.

About Tennant Company

Minneapolis-based Tennant Company (NYSE: TNC) is a world leader in designing, manufacturing and marketing solutions that help create a cleaner, safer world. Its products include equipment for maintaining surfaces in industrial, commercial and outdoor environments; and specialty surface coatings for protecting, repairing and upgrading concrete floors. Tennant's global field service network is the most extensive in the industry. Tennant has manufacturing operations in Minneapolis, MN.; Holland, MI.; Uden, The Netherlands; the United Kingdom; São Paulo, Brazil; and Shanghai, China; and sells products directly in 15 countries and through distributors in more than 80 countries. For more information, visit www.tennantco.com.

Safe Harbor Statement

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may vary substantially from these forward-looking statements as a result of a variety of factors including the quantity of batteries purchased under the supply agreement. The risk factors that could affect actual results are discussed in our periodic reports filed with the Securities and Exchange Commission, including our Report on Form 10-K for the year ended March 31, 2009, and the reader is directed to these statements for a further discussion of important factors that could cause actual results to differ materially from those in the forward-looking statements.

SOURCE: Valence Technology, Inc.

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