



Valence Technology Unites with Marine Industry Leaders to Lead Carbon-Neutral Revolution at Sea

Advanced Battery Manufacturer Makes Hybrid Blue-Water Yachts Possible

AUSTIN, Texas, Dec 07, 2009 (BUSINESS WIRE) -- [Valence Technology, Inc.](#) (NASDAQ: VLNC), an international developer of safe lithium iron magnesium phosphate energy storage solutions, today announced its collaborative effort to bring hybrid blue-water yachts to market by joining a team of three other world-class, industry leaders: custom yacht builder **Foundation Bénéteau Yachts**, world-class marine diesel engine company **Volkswagen AG** and Tier 1 driveline integrator **ZF Marine**. Together, these innovators will produce a new breed of hybrid yachts that will help reduce carbon emissions and noise pollution in our marinas, ports and harbors.

Bénéteau, in association with ZF Marine, recently launched the new hybrid-electric drive system at the Paris International Boat Show highlighting Valence energy storage systems as the enabling technology. The Paris show attracts more than 250,000 visitors and over 1,200 exhibitors annually.

"We are proud to be on the team that will bring hybrid Foundation Bénéteau Yachts to market," **said Robert L. Kanode, president and CEO of Valence Technology.** "Our safe lithium iron magnesium phosphate energy storage solutions offer several benefits over traditional lead acid batteries. When you're at sea and the wind dies, marine drive systems are much more efficient and pollute less if powered by a diesel-electric hybrid that can power the house load at the same time."

Mr. Kanode added, "Our team's technology has high power-to-weight and power-to-volume ratios with extended high power discharge and two hour recharge capabilities. For corporations that hope to transition to a proven lithium storage system sooner rather than later, there is no substitute for Valence energy storage systems."

The hybrid-electric drive will feature Valence Technology's proven U-Charge(R) line of safe, reliable lithium iron magnesium phosphate batteries. U-Charge(R) batteries are complemented by Valence's patented Battery Management System (BMS). The Valence Technology BMS allows battery performance and health to be monitored real-time, giving the assurance, safety and reliability blue-water yachts demand.

Valence Technology's custom energy storage solutions are currently powering the world's greenest mega yacht, *The Ethereal*, the world's largest electric truck, a 12-ton Smith Newton, and a variety of automotive, stationary, industrial and military applications.

About Valence Technology, Inc.

Valence Technology, headquartered in Austin, Texas, is an international leader in the development of safe, long life lithium phosphate energy storage solutions. Valence Technology is traded on the NASDAQ Capital Market under the ticker symbol VLNC. For more information, visit www.valence.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 whether any batteries are purchased under the joint endeavor, and Valence's ability to gain, maintain and expand further commercial acceptance of its products and technologies. 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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