



FOR RELEASE : 21 JANUARY 2019

The Government of India announces interest in building India's first Lithium-ion Battery Gigafactory

- Announcement made by The Central Government of India's Ministry of Heavy Industries and Public Enterprises
- Bharat Heavy Electricals Limited (BHEL) and LIBCOIN in talks to build India's first lithium-ion battery (LIB) gigafactory
- Magnis has a 20% non-dilutive ownership in LIBCOIN
- BHEL is a global energy powerhouse with its equipment accounting for 60% of India's power generation
- Discussions being conducted with binding agreements expected to be signed in the near future
- Project to be part of Prime Minister Modi's "Make in India, for India" program

Magnis Energy Technologies Limited ["Magnis"] wishes to draw attention to an announcement by The Government of India's Ministry of Heavy Industries and Public Enterprises, regarding BHEL being in dialogue with LIBCOIN on the building of India's first lithium-ion battery (LIB) Gigafactory beginning at 1GWh and scaling up to 30GWh. The announcement is attached at the conclusion of this release.

LIBCOIN is a consortium made up of Magnis, Duggal Family Trust and Charge CCCV ["C4V"] and has a vision to build large LIB gigafactories globally with the focus being on the Indian market. Magnis has a 20% non-dilutive stake in LIBCOIN.

The consortium plans to maintain a technical competitive advantage through existing and new unique IP, that will continue to deliver superior LIB cells by delivering vertically integrated global procurement capability throughout the LIB Battery Supply Chain.

Indian Lithium-ion Battery Gigafactory

Over the last 12 months Magnis and its LIBCOIN partners have been working on the creation of India's first LIB Gigafactory. The consortium agrees that India is going to be a significant market for LIB manufacturing especially as it aligns with government policy including the "Make In India, for India" program.

The consortium has been in discussions with BHEL for approximately nine months and is the natural choice as a partner on the project as they are synonymous with power generation in India. BHEL is a household name in India and carries a history of quality and expertise in the power sector and has significant requirements for LIBs in the short-term with those requirements growing exponentially in the long-term.

Discussions are currently taking place with BHEL with details being 'Commercial in Confidence'. Talks are also progressing with other potential owners and offtake partners mainly from the local automotive sector who are showing considerable interest.

LIBCOIN Chairman, Mr Rajan Duggal commented: "Our plan is to be the largest lithium-ion battery manufacturer in India, and we aim to be the first mover in one of the world's largest markets. The interest this project is generating especially in the Indian automobile sector is very exciting."

Magnis Chairman, Mr Frank Poullas commented: "To have The Central Government of India make a press release is very encouraging for both Magnis and its partners. We see India as a key market and to potentially build one of the world's largest gigafactories with a partner who possesses the skill and expertise of BHEL is very exciting for Magnis."

About BHEL

BHEL is a leading state-owned company with more than 50 years of experience, wherein The Government of India is holding 63.06% of its equity. BHEL is an integrated power plant equipment manufacturer and one of the largest engineering and manufacturing organisation in India, catering to the core infrastructure sectors of the Indian economy. The annual turnover of BHEL for the year 2017-18 was approximately US\$4.1 Billion with over US\$8 Billion in assets. BHEL's highly skilled and committed employees amount to 37,500 in number.

BHEL has technology tie-ups with leading providers that include General Electric, Siemens, Metso Automation Inc and Kawasaki Heavy Industries Ltd.

For further information, please contact:

Frank Poullas
Chairman
Ph: +61 2 8397 9888
www.magnis.com.au

PLEASE FIND THE CENTRAL GOVERNMENT OF INDIA PRESS RELEASE BELOW

<http://pib.nic.in/PressReleaseDetail.aspx?PRID=1560513>

**Press Information Bureau
Government of India
Ministry of Heavy Industries & Public Enterprises
18-January-2019 17:19 IST**

BHEL and LIBCOIN to Build India's First Lithium Ion Giga Factory

Bharat Heavy Electricals Limited (BHEL) and Libcoin are in dialogue to form a world class consortium to initially build 1GWh lithium ion battery plant in India. Its capacity will be scaled up to 30GWh in due course. With this, India has finally taken steps into its energy security and clean energy commitment to the world.

BHEL will be sending a team of senior officers for study of the facilities, R&D infrastructure and other techno-commercial issues soon. Based upon the evaluation and recommendations of the team, further process towards formation of Joint Venture will be carried forward.

This project will bring energy independence by replacing oil imports with abundant renewable. This project also includes "Made by India, for India", with focus on core-cost components manufactured domestically. It will also create integrated manufacturing ecosystem resulting in self-reliance and lower cost.

A holistic view of the supply chain in combination with cutting edge digital technologies to replace high CAPEX and high OPEX processes will be the highlight of this project in India.

Various Indian cities including Delhi have been struggling to cut down their pollution level for last several years and electric transportation has been considered as one of the viable approaches to cut down emission. The number of electric cars in the world already hit million-mark last year and the International Energy Agency has projected almost 140 million electric cars globally by 2030, if countries meet Paris climate accord targets, in which India has already committed to actively participate.