

## Dow Kokam Receives \$161 Million U.S. Department of Energy Grant for Next-Generation Battery Production

Midland, MI - August 05, 2009



The Dow Chemical Company (NYSE: DOW) and Townsend Kokam LLC today announced their proposed joint venture, Dow Kokam, has been awarded a \$161 million federal grant from the U.S. Department of Energy (DOE) to develop a new generation of high-power battery technology to supply the automotive industry and power the next generation of hybrid and electric vehicles.

Dow and Townsend Kokam will use the federal funding to establish manufacturing operations, including construction of a new 800,000 square foot facility in Midland, Michigan, to produce affordable advanced superior lithium polymer battery (SLPB) technology for the hybrid and electric vehicle markets. Construction is expected to begin by late October 2009 and battery production is slated to begin in early 2011. The facility will employ up to 800 people.

The DOE program is part of the Obama administration's goal of putting one million new plug-in hybrid vehicles in service by 2015. The new venture's manufacturing facility represents one of the most significant and immediate moves in the creation of the expected \$60 billion advanced battery industry which is poised to create tens of thousands of new jobs in the United States.

"I applaud President Obama and the DOE for helping ensure the next generation of advanced battery technology is developed and built right here in America," said Andrew N. Liveris, Dow Chairman and CEO. "This is the type of comprehensive, collaborative approach that is needed to give the U.S. a sustained leadership position in this leading-edge industry. Dow is excited to begin using our expertise in chemistry to help overcome the technical challenges of developing and commercializing the next generation of advanced automotive batteries."

When complete, the Dow Kokam joint venture's Midland facility is expected to produce enough batteries to supply 60,000 hybrid or electric vehicles per year, create new green collar jobs and help meet the nation's employment, energy and environmental goals.

Earlier this year, Michigan announced the Dow and Townsend Kokam advanced battery initiative would be one of four companies to receive tax incentives to locate battery production facilities in the state.

The DOE grant is subject to final agreement on terms between DOE and Dow Kokam, which is anticipated by early fall.

### About Dow

Dow is a diversified chemical company that combines the power of science and technology with the "Human Element" to constantly improve what is essential to human progress. The Company delivers a broad range of products and services to customers in approximately 160 countries, connecting chemistry and innovation with the principles of sustainability to help provide everything from fresh water, food and pharmaceuticals to paints, packaging and personal care products. In 2008, Dow had annual sales of \$57.5 billion and employed approximately 46,000 people worldwide. The Company has 150 manufacturing sites in 35 countries and produces approximately 3,300 products. On April 1, 2009, Dow acquired Rohm and Haas Company, a global specialty materials company with sales of \$10 billion in 2008, 98 manufacturing sites in 30 countries and approximately 15,000 employees worldwide. References to "Dow" or the "Company" mean The Dow Chemical Company and its consolidated subsidiaries unless otherwise expressly noted. More information about Dow can be found at [www.dow.com](http://www.dow.com).

### **About Kokam America Inc.**

Established in 2005, Kokam America Inc. is the U.S. affiliate of South Korea-based Kokam Co., Ltd., a global leader in the rapidly growing lithium rechargeable battery market. With U.S. facilities in Kansas City, Mo., Kokam America is the licensee and exclusive sales and distribution agent for North and South America for Kokam Co., Ltd, which holds patents on the next-generation superior lithium polymer battery (SLPB) technology that provide significant manufacturing, efficiency and safety advantages over traditional lithium technology.

### **About Townsend**

Townsend Ventures, LLC is the sustainable energy-focused division of Townsend Capital, LLC, a privately held investment firm that has, for the last 33 years, provided financial solutions to Fortune 500 corporations and major universities and hospitals. In 2008, Townsend Ventures purchased Encelium Technologies, an advanced technology company that specializes in lighting control systems for commercial buildings, and most recently, an interest in Kokam Co., Ltd., an advanced lithium-ion battery manufacturing company, and Kokam America, Inc., its only US licensee and exclusive sales and distribution agent for North and South America.

*Note: The forward-looking statements contained in this document involve risks and uncertainties that may affect the Company's operations, markets, products, services, prices and other factors as discussed in filings with the Securities and Exchange Commission. These risks and uncertainties include, but are not limited to, economic, competitive, legal, governmental and technological factors. Accordingly, there is no assurance that the Company's expectations will be realized. The Company assumes no obligation to provide revisions to any forward-looking statements should circumstances change, except as otherwise required by securities and other applicable laws.*

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