

New Dow Joint Venture Selects Midland for Next-Generation Battery Production

Site Will Put Region on Leading Edge of Emerging Technologies for Hybrid and Electric Vehicles



Midland, MI - May 14, 2009

The Dow Chemical Company today announced at its Annual Meeting of Stockholders that pending final funding decisions, Dow and its proposed joint venture partners have selected Midland as the site of a new battery manufacturing facility to supply the automotive industry and power the next generation of hybrid and electric vehicles.

Midland is specified in a federal grant application filed by KD ABG MI, LLC, a proposed joint venture among Dow, Kokam America Inc., Townsend Ventures, LLC and SAIL Venture Partners with the U.S. Department of Energy (DOE) to construct a new \$600 million, 800,000 square foot facility to produce affordable advanced superior lithium polymer battery (SLPB) technology for the hybrid and electric vehicle markets. The DOE grant program is part of President Obama's goal of putting one million new plug-in hybrid vehicles in service by 2015.

Subject to federal funding and completion of the joint venture terms, the joint venture is expected to produce enough batteries to supply 60,000 hybrid or electric vehicles per year, create more than 800 new "green collar" jobs and help the state and U.S. economies meet their employment, energy and environmental goals.

According to Dow Chairman and CEO Andrew N. Liveris, the announcement of the new facility is a good example of the Company's strategy to capitalize on new, strategic market opportunities supported by the U.S. stimulus package.

"Today's announcement is an exciting step forward for our Company, this state and the Midland community," Liveris said. "Our joint venture would put both Dow and this region on the forefront of some of the most important technologies that are reinventing the automotive industry for the 21st century."

On April 14, the State of Michigan announced the joint venture would be one of four companies to receive tax incentives to locate battery production facilities in Michigan.

Kokam America President Don Nissanka reinforced the importance of the new technology for the future of the hybrid and electric vehicle markets.

"The combination of Dow and Kokam would make us the first battery manufacturer to combine the viable, scalable technology, market franchise, manufacturing expertise and market knowledge necessary to become the clear partner of choice for automakers and suppliers," Nissanka said. "We are confident our joint venture will raise the bar for the entire industry."

The proposed joint venture partners have outlined expected milestones that will lead to the establishment of the new Midland manufacturing presence.

Under the terms of the plan - which still needs final approval from the respective boards of directors of the owners - a decision on DOE funding is expected by mid-summer. Construction would begin by late September, with production at the new facility slated to begin in mid-2011.

About Dow

With sales of \$58 billion in 2008 and 46,000 employees worldwide, 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 around 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. On April 1, 2009, Dow acquired Rohm and Haas Company, a global specialty materials company with sales of \$10 billion in 2008 and 15,000 employees worldwide. References to "Dow" or the "Company" mean The Dow Chemical Company and its consolidated subsidiaries unless otherwise expressly noted.

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.

About SAIL

With two CleanTech funds dedicated to the growth of clean energy generation, storage, distribution and efficiency; SAIL has become a 1st tier venture firm identifying critical breakthrough technologies and nurturing them into prominence. SAIL's principal offices are in Southern California, Washington DC, and New York. SAIL can be found at www.sailvc.com

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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