High-Power and High-Energy Lithium Ion Batteries for Aerospace Applications

July 28 2004

Lithium Technology Corporation, ("LTC," "the Company"), a leading participant in the rapidly emerging **large-format rechargeable lithium** battery **market**, today announced receipt of a purchase order from Lockheed Martin Space Systems, a major business segment of Lockheed Martin Corporation for three of its GAIA brand high-performance products.

Lockheed Martin Space Systems has numerous applications for both high- power and high-energy lithium ion batteries in its satellite launch vehicles and other systems integration projects. Under the purchase order, LTC will deliver 6Ah Double-D cylindrical cells and 27Ah Flat cells for high-power applications as well as large format 60Ah cylindrical cells for high-energy applications. Each of these cell lots will be tested at Lockheed Martin Space Systems' battery laboratory as well as in specific application platforms.

Because of the stringent demands of aerospace applications, Lockheed Martin Space Systems conducts extensive studies to benchmark the performance of commercially available batteries. "This order follows an initial evaluation of sample cells that impressed Lockheed Martin Space Systems with their outstanding high-power density," said Ron Turi, Director of Product Development and Applications for LTC's GAIA USA division. "Of particular interest was how well our high-power GAIA cells retained low internal resistance from a fully charged to a fully discharged state. This feature allows more robust performance and greatly reduces concern about heat generation for high pulse rate

applications." LTC had designed this feature to meet similar requirements for Hybrid Electric Vehicle (HEV) applications, especially for hybrid SUVs, buses and other larger vehicles for both commercial and national security applications.

"This initial purchase order represents a major opportunity to work with a leader in the aerospace and defense markets," said Jim Manning, LTC's Executive Vice President and the Chief Operating Officer of GAIA USA. "We see strong growth potential with Lockheed Martin, both for these immediate aerospace applications and for opportunities to broaden our reach to other Lockheed Martin business segments."

Lockheed Martin of Bethesda, Maryland, the largest U.S. defense contractor, reported 2003 sales of $31.8 billion, and a combined backlog of $77 billion for it five business segments: Aeronautics, Electronic Systems, Space Systems, Integrated Systems & Solutions, and Information & Technology Services. Lockheed Martin Space Systems, headquartered in Denver, is the world leader in the production of satellites and launch vehicles for both commercial and national security applications, with more than $6 billion in sales. Detailed information on Lockheed Martin is available at www.lockheedmartin.com/.

LTC produces unique large-format rechargeable batteries under the GAIA brand name and trademark. The Company supplies a variety of military, transportation and back-up power customers in the U.S. and Europe from its two operating locations in Plymouth Meeting, Pennsylvania and Nordhausen, Germany. LTC offers standard military formats including D-cells and "2590" battery packs for field communications applications, with the benefit of improved rate and fast charge capabilities. For additional information on the Company's technology and products, please visit www.gaia-akku.com/.

The foregoing information contains forward-looking statements which

involve risks and uncertainties relating to such matters as financial performance, technology development, capital raising, business prospects, strategic partnering and similar matters. A variety of factors could cause LTC's actual results and experience to differ materially from anticipated results or other expectations expressed in these forward-looking statements. This notice does not constitute an offer of any securities for sale.

The original press release can be found here.