

PRESS RELEASE

goetzpartners advised on the acquisition of a stake in Lithium Technology Corporation by Frazer-Nash Research Ltd. and the creation of a strategic alliance and a joint venture

Munich, April 7, 2011. Frazer-Nash Research Ltd. ("Frazer-Nash") acquired a minority stake in the publicly listed US-based manufacturer of lithium-Ion cells, Lithium Technology Corporation ("LTC"). As part of the transaction, Frazer-Nash will provide \$10m of fresh capital to LTC, thereof \$5m in the form of an initial purchase of LTC's common equity and \$5m in the form of a committed convertible loan. Upon closing of the common equity investment, Frazer-Nash will hold an equity stake of 10.25%, which will increase to 35.00% if the convertible loan is fully funded and converted into common equity. Through additional warrants subject to operational triggers Frazer-Nash may further increase its equity stake in LTC into a majority position.

Before becoming a strategic investor in LTC, Frazer-Nash had been a customer of LTC for several years. The closer cooperation between the two parties in the future also includes a strategic alliance, which allows LTC access to an OEM cooperation and supply relationships with automotive manufacturers. LTC intends to use this alliance to supply battery cells for a range of electrically-powered vehicles. Depending on the commercial success and value created out of this relationship, Frazer-Nash will receive warrants to purchase additional common stock in LTC which may allow Frazer-Nash to increase its equity stake to greater than 50%. The award of warrants is tied to the achievement of a series of performance targets with the last target being in 2015. The alliance already includes initial commercial supply contracts for delivery of battery cells between LTC and Frazer-Nash. These cells will be used to build a test fleet of plug-in hybrid vehicles with range extender as well as a certain number of electric vehicles for an Asian vehicle manufacturer.

In addition, LTC and Frazer-Nash will enter into a joint venture, which will develop, market and manufacture complete energy management systems consisting of LTC's large format lithium-Ion battery cells and Frazer-Nash's electronics including battery management system, charger and DC-DC convertor. The intent of the joint venture is to provide a complete energy management solution for use in future electric and hybrid electric vehicle power trains. The parties will share equally in the investment and income from the joint venture, while Frazer-Nash will hold 70% of the voting rights.

The share price of LTC increased by 101% on the day following the announcement.

goetzpartners acted as the exclusive financial advisors to Frazer-Nash during the entire transaction process. The project team consisted of employees from both the goetzpartners' London and Munich office.

About LTC

LTC is a leading global manufacturer of large format cylindrical lithium-Ion cells and a global provider of power solutions for diverse applications. LTC is especially well positioned in the fast growing markets of hybrid electric and electric vehicles.

About Frazer-Nash

Frazer-Nash is a UK-based research and development company principally engaged in the development of fully integrated and highly optimised proprietary systems, sub-systems and components for hybrid electric and electric drive trains.

About goetzpartners

goetzpartners is a leading independent European advisory firm that combines corporate finance and management consulting services under one roof. The Group is represented with offices in Munich, Düsseldorf, Frankfurt, London, Madrid, Moscow, Paris, Prague and Zurich, and maintains international cooperation ventures.

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