



ASIA PACIFIC | EUROPE | NORTH AMERICA

16 JUNE 2015

ASX: VXL & VXLO

AUSTRALIAN STOCK EXCHANGE ANNOUNCEMENT & MEDIA RELEASE

VALENCE OPERATIONAL GRAPHITE PRODUCTION COMMENCES

Valence Industries (the **Company**) is pleased to announce it has commenced operational graphite production at its Uley Graphite™ site in South Australia. The Company is planning for flake graphite production rates, quality and consistency to increase progressively over the coming weeks to the nameplate capacity of 14,000 tpa from September 2015.

This development is part of the plant-commissioning program, and is in line with the regulatory approval received last week for modifications to process water systems. Transport of graphite from the Uley Graphite™ site to Port Adelaide is planned to commence during June 2015, with shipments under existing contracts to customers in Europe and the Asia Pacific region to commence shortly thereafter.

The Company's current rights issue to raise up to \$9.4 million is scheduled to close on 25 June 2015. The Company's debt facilities for the expansion are progressing as planned to meet the conditions precedent and are not dependent on the outcomes of the rights issue.

Shareholders with any questions regarding the rights issue, including obtaining replacement documentation can contact Jarek Kopias, Company Secretary on 08 8215 6400 or please visit the Valence Industries website at www.valenceindustries.com.

For further information, please contact:

Investor enquiries:

Christopher S. Darby
CEO & Managing Director
info@valenceindustries.com
+61 8 8215 6400

Media enquiries:

Rebecca Lawson
Associate Director, Media & Capital Partners
Rebecca.lawson@mcpartners.com.au
+61 433 216 269

Forward Looking Statements

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of Valence Industries Limited (Valence Industries) are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects' or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the company, its directors and management of Valence Industries, that could cause Valence Industries' actual results to differ materially from the results expressed or anticipated in these statements.

Valence Industries cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Valence Industries does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law.