



**VALENCE
INDUSTRIES**

ASIA PACIFIC | EUROPE | NORTH AMERICA

ASX ANNOUNCEMENT

**ASX: VXL
ASX: VXLO**

2 April 2014

VALENCE INDUSTRIES GRAPHITE BAGGED & READY

- The first graphite from Valence Industries is being packed.
- Export grade graphite from Valence Industries will be for uses ranging from battery applications through to heavy industrial lubricants.

FIRST GRAPHITE PRODUCTS

Valence Industries Limited (ASX:VXL) is pleased to announce that its first graphite is currently being bagged. These graphite products are being readied for intended export to customers in the Asia Pacific region.

The graphite products from Valence Industries are in strong demand from customers for their quality and consistency. Those graphite products are for use in applications ranging from batteries through to industrial lubricants.

"This an important step for Valence Industries and for our program in regional South Australia. The ability to start meeting the demand from our customers with real graphite products is fundamental to the work Valence Industries is doing." said Christopher Darby, Managing Director & CEO.

With the preparation of these graphite products from existing stockpiled material the company takes another step in its program for its facilities in regional South Australia. That program is expected to advance over coming months as the Company continues to test and assess its range of graphite products and build on its existing customer program.

For further information, please contact:

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About Valence Industries

Valence Industries (ASX:VXL) is the owner and operator of the only graphite manufacturing facilities in Australia located at Uley in South Australia near the regional centre of Port Lincoln. The Company is bringing existing infrastructure into production with a focus on global markets across multiple graphite product ranges. Graphite production will commence in early 2014, with plans for expanded production by the end of 2014.

Located only 23 kilometres from Port Lincoln, the regional centre for the Lower Eyre Peninsula in South Australia, Valence Industries' Uley Graphite project is recognised as a significant area of graphite mineralisation, and one of the largest coarse flake graphite deposits in the world. The deposit contains disseminated, high-grade flake graphite and the mineralisation is near surface, with the final manufactured graphite products recognised and purchased by many customers for its high quality.

The company holds two existing Mining Licences and two associated Retention Licences, along with an extensive Exploration Licence, for the conduct of its operations. In addition Valence Industries is in the fortunate position of owning the land on which its current and proposed expanded operations are conducted along with the extensive existing infrastructure.

Manufacturing A New Carbon Future

The Company operates as an industrial manufacturer of high-grade flake graphite products for distribution and sale to global markets. Valence Industries owns established processing facilities and infrastructure to manufacture a wide range of graphite product lines for multiple applications and multiple industries.

The Company produces and sells its graphite products from its Uley Graphite facilities in regional South Australia for delivery to diversified markets for graphite in the Asia Pacific, Europe and North America.

As a vertically integrated manufacturer of specialist graphite product ranges Valence Industries' branded products are designed to meet current and future customer demand. This program includes development of a significant VXL High Purity Graphite Facility program and a range of future Graphene applications.

