



# TALISON LITHIUM AND SOJITZ SIGN MEMORANDUM OF UNDERSTANDING

## NEWS RELEASE

**December 8<sup>th</sup> 2011: Talison Lithium Limited (“Talison”) (TSX:TLH) and Sojitz Corporation (“Sojitz”) announced today that they have signed a Memorandum of Understanding (“MOU”) to discuss on a non-exclusive basis collaborative marketing and distribution opportunities in Japan for lithium carbonate produced by Talison.**

Responding to growing global demand for an additional secure supply of lithium chemicals, particularly from electric vehicle battery manufacturers, Talison is aggressively pursuing its proposed plant to convert lithium minerals into lithium carbonate (“Minerals Conversion Plant”). The Minerals Conversion Plant is to be located in Western Australia with an initial capacity of 20,000 tonnes per annum lithium carbonate. Talison is targeting commissioning of the plant in its 2015 financial year.

Sojitz is a leading Japanese trading firm with extensive involvement in the battery material market and more than 30 years’ experience in distributing lithium chemicals to customers in Japan. Sojitz is interested in accessing an additional supply of lithium chemicals to support its customers in the rapidly growing lithium-ion battery market in Japan.

Talison and Sojitz foresee the potential for mutual benefit in collaborative marketing and distribution of lithium chemicals to customers located in Japan, and ensuring the sustainable growth of the lithium-ion battery market. The Memorandum of Understanding provides a framework for Talison and Sojitz to discuss collaboration opportunities on a non-binding basis and is valid for an initial period of 12 months.

Talison Chief Executive Officer Mr Peter Oliver said: “This MOU is the next step in the development of Talison’s Mineral Conversion Plant as it will enable Talison to accelerate the formation of customer relationships in Japan – one of the world’s largest markets for lithium carbonate.”

Senior Vice President Mr Yoshihiro Tamura of Sojitz commented: “Talison owns one of the largest lithium resources in the world and has already been producing lithium concentrate for many years. Sojitz is excited about Talison’s plan to produce lithium carbonate and foresees a unique opportunity for two of the leading participants in the global lithium market to work together to develop a stable secure supply of lithium for new energy markets in Japan.”

### *About Talison:*

Talison is a leading global producer of lithium. Talison has been producing lithium concentrate for a global customer network from the Greenbushes Lithium Operations in Western Australia for over 25 years. In addition, Talison explores for lithium at the Salares 7 lithium project made up of seven salars located in Region III, Chile.

### *About Sojitz Corporation*

Sojitz is a leading Japanese trading firm and the largest supplier of rare earths into Japan. As a general trading company Sojitz conducts transactions and business operations in Japan and overseas in a wide range of fields including machinery, energy and metals, chemicals and functional materials, and consumer lifestyle businesses.

For further information please contact:

**Investor Relations:**

ICR, LLC

Gary T. Dvorchak, CFA

Senior Vice President

+1 (310) 954-1123

[Gary.Dvorchak@icrinc.com](mailto:Gary.Dvorchak@icrinc.com)

***Cautionary Note Regarding Forward-Looking Statements***

Certain information contained in this press release, including any information as to Talison's mineral reserve and mineral resource estimates, strategy, projects, plans, prospects, future outlook, anticipated events or results or future financial or operating performance, may constitute "forward-looking information" within the meaning of Canadian securities laws. All statements, other than statements of historical fact, constitute forward-looking information. Forward-looking information can often, but not always, be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "predicts", "potential", "continue" or "believes", or variations (including negative variations) of such words, or statements that certain actions, events or results "may", "could", "would", "should", "might", "potential to", or "will" be taken, occur or be achieved or other similar expressions concerning matters that are not historical facts. The purpose of forward-looking information is to provide the reader with information about management's expectations and plans. Readers are cautioned that forward-looking statements are not guarantees of future performance. All forward-looking statements made or incorporated in this press release are qualified by these cautionary statements.

Forward-looking statements are necessarily based on a number of factors, estimates and assumptions that, while considered reasonable by Talison, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Such factors, estimates and assumptions include, but are not limited to: anticipated financial and operating performance of Talison, its subsidiaries and their respective projects; Talison's market position; future prices of lithium or lithium concentrates; estimation of mineral reserves and mineral resources; realization of mineral reserve and mineral resource estimates; timing, amount and costs of estimated future production; grade, quality and content of concentrate produced; sale of production; capital, operating and exploration expenditures; costs and timing of the expansion of the Greenbushes Lithium Operations; exploration and development of the Salares 7 lithium project; costs and timing of future exploration; requirements for additional capital; government regulation of exploration, development and mining operations; environmental risks; reclamation and rehabilitation expenses; title disputes or claims; absence of significant risks relating to Talison's mining operations; the costs of Talison's hedging policy; sales risks related to China; currency; interest rates, and limitations of insurance coverage. While Talison considers these factors, estimates and assumptions to be reasonable based on information currently available to it, they may prove to be incorrect and actual results may vary.

Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Talison and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such risk factors include, among others, those described in the unaudited condensed consolidated interim financial statements of Talison and the related notes thereto as at September 30, 2011 and for the three months ended September 30, 2011 and under the heading "Risk Factors" in the annual information form of Talison for the year ended June 30, 2011 dated September 23, 2011, each of which can be found on Talison's SEDAR profile at [www.sedar.com](http://www.sedar.com). While Talison considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect and actual results may vary.

Although Talison has attempted to identify statements containing important factors that could cause actual actions, event or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is made as of the date of this press release based on the opinions and estimates of management on the date statements containing such forward-looking information are made. Except as required by law, Talison disclaims any obligation to update any forward-looking information, whether as a result of new information, estimates or opinions, future events or results or otherwise. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information.