



21 February 2024

Industry leaders establish Australia's first vanadium flow battery manufacturing supply chain in Queensland

Idemitsu Australia, Sumitomo Electric Industries and Vecco Group sign agreement to develop end-to-end vanadium flow battery supply chain

Idemitsu Australia, Sumitomo Electric Industries and Vecco Group (the group) have signed a Collaboration Agreement to build a complete manufacturing supply chain – from mining to energy storage – and recognises the significant benefits vanadium flow battery technology will bring to Australia.

Under this non-exclusive agreement, Idemitsu plans to market, sell and deliver vanadium flow batteries to Australian customers using Sumitomo Electric hardware and Vecco's electrolyte made from vanadium mined in Queensland's north west minerals province.

It is anticipated that the complete manufacturing supply chain will be operational in 2026, with hardware and electrolyte using local vanadium.

Each company provides a unique aspect of the supply chain with:

- Vecco Group mining and refining high purity vanadium and manufacturing electrolyte, and commencing detailed design for a 300MWh commercial production facility in Townsville
- Sumitomo Electric's world leading battery hardware manufacturing capabilities
- Idemitsu's 40+ years of operational experience in Australia to provide battery supply to customers, project management and development of battery projects.

The manufacturing of battery electrolyte will be undertaken in Townsville with final assembly completed at customer sites.

With the successful operation of the 35MWh production facility in Townsville, Vecco has now secured a 3.2hectare site at Cleveland Bay Industrial Park (CBIP) for its 300MWh commercial production facility.

An end-to-end vanadium flow battery manufacturing supply chain will create local jobs, and provide a highly bankable option for this proven battery storage technology for the Queensland SuperGrid and renewable projects throughout Australia.

Mr. Kamada, General Manager of Energy Systems Division at Sumitomo Electric Industries, Ltd. said “We are very pleased to be able to participate in this framework together with Idemitsu Australia, which has a great track record in this country and Vecco Group, which has started manufacturing the first Australian-produced electrolyte. Through this framework, we hope to contribute to the spread of renewable energy and decarbonisation in Queensland and Australia.

Idemitsu Australia Chief Executive Officer, Steve Kovac said “Idemitsu’s involvement with this venture is another exciting extension of our collaboration with Vecco Group.”

“Idemitsu Australia continues to strategically invest in renewable and clean energy projects. We believe that our participation in the complete vanadium flow battery manufacturing supply chain will create opportunities for Australia and serves the growing global demand for renewable energy storage.”

“Vecco Group Managing Director, Tom Northcott said:

“Demand for vanadium flow batteries is rapidly increasing to meet the world’s energy storage demands. Over 7.4GWh of vanadium flow battery projects globally are currently under construction or have been announced in the last 12 months. The decision for Idemitsu to market and deploy vanadium flow batteries using Sumitomo and Vecco products acknowledges the scale of the opportunity.”

About Sumitomo Electric Industries

Sumitomo Electric began developing vanadium redox flow batteries in 1985, and commercialised the battery in 2001. They deliver these batteries to electric power companies and consumers worldwide, and have built a track record through economic evaluations, microgrid demonstrations, and smart factory applications in distribution networks. Sumitomo Electric believes the USA and Australia are the leading regions for vanadium battery deployment and plans to target both markets for their product.

About Idemitsu

Idemitsu is a diversified multinational corporation with diverse interests across renewable energy, resources, advanced materials, lubricants, retail fuel and agriculture around the world. Idemitsu has set ambitious climate targets, which include reducing its combined Scope 1 and 2 emissions by 46% (7.3mt reduction in CO2 emissions) by 2030, on a pathway to reaching carbon neutrality by 2050. Idemitsu Australia is investing in renewable energy generation and storage and has invested in Vecco owning approximately 15% of the company (through its subsidiary Idemitsu Debella Pty Ltd). Idemitsu's expansive experience mining in Australia will assist Vecco with development and operations of Vecco's Battery Metals Project.

About Vecco Group

Vecco is an integrated mining and manufacturing critical minerals business creating a vanadium battery supply chain in Queensland, the USA and Europe. Vecco has constructed a vanadium electrolyte manufacturing facility in Townsville and is developing the Vecco Critical Minerals mine in Queensland. Vecco's mining, refining, and manufacturing businesses will be fully integrated providing secure local electrolyte supply chains for the Australian, USA and European markets.

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