

LG Chem, Exxon Mobil sign non-binding MOU for lithium offtake

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The two companies are partnering on a multiyear offtake agreement for up to 100,000 metric tons of lithium carbonate

Exxon Mobil Corp. and LG Chem have signed a non-binding memorandum of understanding (MOU) for a multiyear offtake agreement of up to 100,000 metric tons of lithium carbonate, LG Chem announced Nov. 20.



Source: Getty Images/xeni4ka

The lithium will be supplied from ExxonMobil's planned project in the US to LG Chem's cathode plant in Tennessee, US, which LG Chem expects to be the largest of its kind in the US, the South Korean material supplier said in a statement.

LG Chem's Tennessee-based cathode plant broke ground in December 2023 and is expected to have an annual production capacity of 60,000 metric tons.

According to the company, the plant offers excellent geographic accessibility for both customer deliveries and raw material imports.

In its press note, LG Chem said that final investment decisions will be subject to various factors including the establishment of commercially competitive regulatory frameworks.

Meanwhile, the planned production of lithium by Exxon Mobil will utilize its patented direct lithium extraction (DLE) technology, aligning seamlessly with its core competencies in subsurface exploration, drilling and chemical processing.

This approach offers US EV battery manufacturers a domestically extracted and processed lithium supply option, which is expected to have substantially lower environmental impacts, including approximately two-thirds less carbon intensity than hard-rock mining.

"America needs secure domestic supply of critical minerals like lithium," said Dan Ammann, president of ExxonMobil Low Carbon Solutions. "ExxonMobil is proud to lead the way in establishing domestic lithium production, creating jobs, driving economic growth, and enhancing energy security here in the United States."

"Building a lithium supply chain with ExxonMobil, one of the world's largest energy companies, holds great significance," said Shin Hak-cheol, CEO of LG Chem. "We will continue to strengthen LG Chem's competitiveness in the global supply chain for critical minerals."

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