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Morgan Lewis Advises Toyota on Agreement with Tesla to Jointly Develop Electric Vehicles

PALO ALTO, May 20, 2010: TESLA MOTORS, INC. (Tesla) and TOYOTA MOTOR CORPORATION (TMC) today announced that they intend to cooperate on the development of electric vehicles, parts, and production system and engineering support. The two companies intend to form a joint development team to further those efforts. TMC has agreed to purchase \$50 million of Tesla's common stock issued in a private placement to close immediately subsequent to the closing of Tesla's currently planned initial public offering. Morgan Lewis advised Toyota on the transaction.

The Morgan Lewis team included Business and Finance partners Thomas W. Kellerman and Rahul Kapoor, assisted by associates Forrest S. Henderson and Carolyn Y. Mo, in Palo Alto, as well as Business and Finance partners Charles E. Engros and Jonathan D. Morris in New York.

For additional details on the transaction, please see Tesla and TMC's press release at <http://pressroom.toyota.com/pr/tms/news.aspx>.

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