



News for Immediate Release

Electrovaya signs contract with a NYSE Fortune 1000 company for the design and development of Lithium-ion batteries for a range of electro-mobility products

Industry leading safety and cycle life attracts major Global OEM to Electrovaya's Lithium-ion batteries

Toronto, Ontario – September 20th, 2016 – Electrovaya Inc. (TSX: EFL) (OTCQX: EFLVF) is pleased to announce it has signed a Service Agreement with a NYSE Fortune 1000 OEM (Original Equipment Manufacturer) for the design, development and manufacture of battery modules for a range of the OEM's electro-mobility products. The project commences immediately and will progress through 2017 with large volume commercial production starting in late 2017. The initial Purchase Order for the development contract has been received by Electrovaya. This is the second NYSE listed Fortune 1000 Company that has chosen to work with Electrovaya's batteries.

Electrovaya's technology and products are uniquely suited to this speciality subsector in electric-mobility, as it meets two of the critical performance parameters needed from Lithium-Ion batteries. They are; to achieve the highest level of safety and highest cycle life, both uniquely available from Electrovaya.

"This represents an exciting new application based around our Lithium-ion cell and module products", said Dr. Rajshekar Das Gupta, VP, Business Development Electrovaya. "This Service Agreement takes us into a new business sector, where there is a need for rapid transformation from diesel or lead acid powered products to Lithium-ion battery power. We are especially pleased to work with the US based global leader in this sector ", added Dr. Das Gupta.

For more information, please contact:

North America:

Electrovaya Inc.

Telephone: 1.905.855.4618

Email: ir@electrovaya.com or sales@electrovaya.com

Europe & Asia:

Litarion GmbH:

email: info@litarion.com

About Electrovaya Inc.

Electrovaya Inc. (TSX: EFL) (OTCQX: EFLVF) designs, develops and manufactures proprietary Lithium Ion Super Polymer® batteries, battery systems, and battery-related products for energy storage, clean electric transportation and other specialized applications. Electrovaya, through its fully owned subsidiary, Litarion GmbH, also produces cells, electrodes and SEPARION® ceramic separators and has manufacturing capacity of about 500MWh/annum. Electrovaya is a technology focused company with

extensive patents and other Intellectual Property. Headquartered in Ontario, Canada, Electrovaya has production facilities in Canada and Germany with customers around the globe.

To learn more about how Electrovaya and Litarion is powering mobility and energy storage, please explore www.electrovaya.com, www.litarion.com and www.separion.com

Forward-Looking Statements

This press release contains forward-looking statements, including statements that relate to, among other things, revenue forecasts, technology development progress, plans for shipment using the Company's technology, production plans, the Company's markets, objectives, goals, strategies, intentions, beliefs, expectations and estimates, and can generally be identified by the use of words such as "may", "will", "could", "should", "would", "likely", "possible", "expect", "intend", "estimate", "anticipate", "believe", "plan", "objective" and "continue" (or the negative thereof) and words and expressions of similar import. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from expectations include but are not limited to: general business and economic conditions (including but not limited to currency rates and creditworthiness of customers); Company liquidity and capital resources, including the availability of additional capital resources to fund its activities; level of competition; changes in laws and regulations; legal and regulatory proceedings; the ability to adapt products and services to the changing market; the ability to attract and retain key executives; and the ability to execute strategic plans. Additional information about material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the Company's most recent annual and interim Management's Discussion and Analysis under "Risk and Uncertainties" as well as in other public disclosure documents filed with Canadian securities regulatory authorities. The Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except as required by law.