

ELECTROFUEL INC.

**Proxy Solicited by the Board of Directors and Management for
the Annual and Special Meeting of Shareholders to be held on March 26, 2002
at 4:00 p.m. (Toronto time) at the Toronto Stock Exchange Conference Centre,
130 King Street West, Toronto, Ontario**

This proxy is solicited by the Board of Directors and Management of Electrofuel Inc. The undersigned common shareholder of Electrofuel Inc. hereby appoints Dr. Sankar Das Gupta of Mississauga, Ontario, or failing him, Dr. James K. Jacobs of Toronto, Ontario, or instead of either of the foregoing _____ of _____, as the nominee of the undersigned to attend, vote and act for the undersigned and on behalf of the undersigned at the **Annual and Special Meeting of Shareholders of Electrofuel Inc. to be held at 4:00 p.m. (Toronto time) on the 26th day of March, 2002 and at any adjournment or adjournments thereof.** Without limiting the general power and authority conferred, the said proxy is specifically directed to vote as follows on the following:

(Vote for each item by marking an "X" in the appropriate box.)

- | | | | | |
|--------------------------|-----|--|--------------------|---------------------------------------|
| 1. Election of Directors | FOR | <input type="checkbox"/> | AUTHORITY WITHHELD | <input type="checkbox"/> |
| | | <i>all nominees listed below (except as indicated to the contrary)</i> | | <i>from all nominees listed below</i> |

Dr. Sankar Das Gupta, Dr. Bejoy Das Gupta, Michael Gopikanth, Dr. James K. Jacobs, Sydney R. McMorrان, George Paterson and Dr. Pandit Patil

To withhold authority to vote for any individual nominee, please write that nominee's name(s) on the line below:

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- | | | | | |
|----------------------------|-----|--------------------------|--------------------|--------------------------|
| 2. Appointment of Auditors | FOR | <input type="checkbox"/> | AUTHORITY WITHHELD | <input type="checkbox"/> |
| 3. Change of Name | FOR | <input type="checkbox"/> | AUTHORITY WITHHELD | <input type="checkbox"/> |
| 4. Transfer of Assets | FOR | <input type="checkbox"/> | AUTHORITY WITHHELD | <input type="checkbox"/> |

Unless directed herein to the contrary, this proxy will be voted **FOR the election of directors, FOR the appointment of auditors, FOR the change of the name of the Corporation and FOR the transfer of assets.**

If any amendments to or variations of matters identified in the Notice of Meeting are proposed at the Annual and Special Meeting or if any other matters properly come before the Annual and Special Meeting, this proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the person voting this proxy at the Annual and Special Meeting.

DATED this day of , 2002.

Signature of Shareholder/Authorized Representative

- Notes:**
- 1. This proxy must be dated and signed by the shareholder or the shareholder's attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney duly authorized. Where two or more persons are named, all should sign.**
 - 2. Each shareholder has the right to appoint a person to represent the shareholder at the Annual and Special Meeting other than the persons specified above. Such right may be exercised by inserting in the blank space provided the name of the person to be appointed, who need not be a shareholder of the Corporation, and striking out the names of the management nominees or by completing another form of proxy.**
 - 3. This proxy may be deposited with CIBC Mellon Trust Company, Attn.: Proxy Department, 200 Queens Quay East, Unit 6, Toronto, Ontario, M5A 4K9 before 4:00 p.m. (Toronto time) on or before Friday, March 22, 2002 (or if the Annual and Special Meeting is adjourned or postponed, on the last business day prior to the date of the adjourned or postponed Annual and Special Meeting) or may be deposited with the Chairman at the Annual and Special Meeting. However, notwithstanding the foregoing, we urge you to sign, date and return the enclosed form of proxy by Wednesday, March 20, 2002 to assist us in preparing for the Annual and Special Meeting.**