

ELECTROFUEL INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that the Annual and Special Meeting (the "Meeting") of shareholders of Electrofuel Inc. (the "Corporation") will be held at the Toronto Stock Exchange Conference Centre, 130 King Street West, Toronto, Ontario on Tuesday, March 26, 2002 at 4:00 p.m. (Toronto time) for the purposes of:

- (a) receiving and considering the annual report, including the financial statements of the Corporation for the fiscal year ended September 30, 2001 and the report of the auditors thereon;
- (b) electing directors;
- (c) appointing KPMG LLP as the auditors of the Corporation for the next year and authorizing the Board of Directors of the Corporation to fix their remuneration;
- (d) changing the name of the Corporation to Electrovaya Inc.;
- (e) transferring all of the Corporations operations and operating assets to a new wholly-owned subsidiary of the Corporation, and transferring all or a portion of the Corporation's intellectual property to its wholly-owned Barbadian subsidiary, Electrofuel Global SRL, which is to be renamed Electrovaya Global SRL; and
- (f) transacting such other business as may properly come before the Meeting or any adjournment thereof.

Proxies are being solicited by the Board of Directors and Management of the Corporation. Holders of common shares of the Corporation are entitled to vote at the Meeting either in person or by proxy in accordance with the provisions of the *Business Corporations Act* (Ontario). If you are unable to be present at the Meeting, please date and sign the attached form of proxy and return it to CIBC Mellon Trust Company, Attention: Proxy Department, 200 Queens Quay East, Unit 6, Toronto, Ontario, M5A 4K9 prior to the Meeting in the self-addressed envelope provided for that purpose, prior to 4:00 p.m. (Toronto Time), on or before Friday, March 22, 2002 (or if the Meeting is adjourned or postponed, on the last business day prior to the date of the adjourned or postponed Meeting) or deposit it with the Chairman of the 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 Meeting.

Take notice that you are entitled, as a shareholder of the Corporation, to dissent to item (e) above and to be paid the fair value of your shares calculated in accordance with section 185 of the *Business Corporations Act*.

DATED at Toronto, this 20th day of February, 2002.

By Order of the Board of Directors



Sankar Das Gupta
Chairman