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Electrovaya to develop battery-powered lawn and turf equipment for New York State parks and golf courses

Major Opportunity and Growth Seen for Alternative and Green Energy in NY State

Toronto, Ontario, July 31, 2006. Electrovaya Inc. (TSX:EFL), a provider of portable power solutions, today announced it intends to expand into New York State, where it will focus on developing pollution free, quiet, battery-powered lawn and turf equipment for the New York State parks and golf courses. Electrovaya has entered into a LOI to locate its US operations at the Saratoga Technology and Energy Park (“STEP”), New York State’s first clean-energy and environmental technologies park, owned and operated by the New York State Energy Research and Development Authority (“NYSERDA”). In order for Electrovaya to develop power systems for the golf and turf industry, NYSEDA will provide up to \$1 million, with additional support from the New York State Office for Parks Recreation and Historic Preservation (“NYSOPRHP”). Electrovaya’s interest in investing in alternative energy technology in the fast-growing New York State market demonstrates its commitment towards environmentally friendly, zero-emission power solutions using its award winning, proprietary lithium ion SuperPolymer® technology.

Peter R. Smith, president and CEO of NYSEDA, noted that Electrovaya’s lithium ion SuperPolymer® battery technology could aid New York’s growth: “This clean, environmentally sound technology will supply the technology and products to meet needs in New York and elsewhere, and could help us improve the reliability of our solar and wind installations and our transportation efforts. Electrovaya is a great fit for STEP, our clean-energy manufacturing park and we are pleased to welcome them.”

“There are nearly 20,000 golf courses in the US and they all need quiet and efficient battery-powered lawn and turf equipment. We are delighted to be a part of the team involving New York State agencies such as NYSEDA, STEP and NYSOPRHP, and our OEM partners. Electrovaya plans to be a key contributor to the golfing and parks

economy through initiatives involving environmentally friendly greens cutting,” said Dr. Sankar DasGupta, CEO Electrovaya.

About Electrovaya: Electrovaya (TSX: EFL) is a developer and manufacturer of portable power solutions with its proprietary Lithium Ion SuperPolymer® battery technology. Its goal is to become the preferred provider of tablet PCs, portable power for aerospace and wireless sectors, and the developer of alternative energy applications including UPS, stand-by power, plug-in hybrids and zero-emission vehicles. The Company's shares trade on the Toronto Stock Exchange under the symbol EFL.

For more information about the Company and its products, please visit

www.electrovaya.com.

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About NYSERDA: The New York State Energy Research and Development Authority (“NYSERDA”) is a public benefit corporation created in 1975 by the New York State Legislature and uses innovation and technology to solve some of New York's most difficult energy and environmental problems in ways that improve the State's economy. NYSERDA is committed to public service, striving to be a model of what taxpayers want their government to be: effective, flexible, responsive, and efficient. www.nyserdera.org.

About STEP: Saratoga Technology and Energy Park (“STEP”) is the nation’s first location dedicated to developing clean-energy and environmental technology companies. It attracts companies involved in: alternative and renewable energy, environmental technologies, transportation technologies, power generation, buildings, and clean-energy workforce development. STEP is designed to support collaboration and interaction in a campus-like setting, and is an entry point into New York’s network of state agencies, universities, and centers of excellence.

About NYSOPRHP: New York State Office for Parks Recreation and Historic Preservation (“NYSOPRHP”) oversees 176 State parks and 35 historic sites. NYSOPRHP helps communities identify, locate, preserve and revitalize their historic, archeological and cultural resources.

This release may contain forward-looking statements that involve a number of risks and uncertainties, including statements regarding the outlook for the Company’s business and results of operations. By nature, these risks and uncertainties could cause actual results to differ materially from those indicated. Such risks and uncertainties include, without limitation, the various factors set forth in the Risks and Uncertainties section of the Company’s “Management Discussion & Analysis,” and are also discussed in public disclosure documents filed with Canadian regulatory authorities. No assurance can be given that results, performance or achievement expressed in, or implied by, forward-looking statements within this disclosure will occur, or if they do, that any benefits may be derived from them. Electrovaya disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.