



*News for Immediate Release*

***ELECTROVAYA RECEIVES PLUG-IN HYBRID CONTRACT FROM NYSERDA  
The MN Series Cells to provide a substantial reduction in space and weight over phosphate***

***Toronto, Ontario – January 29, 2007***

Electrovaya Inc. (TSX: EFL) announced today that it has received a US\$100,000 contract from the New York State Energy Research and Development Authority (NYSERDA) to develop and demonstrate a “plug-in hybrid” concept using the Ford Escape Hybrid vehicle.

Electrovaya will use its new MN - Series Lithium Ion SuperPolymer battery® to provide a longer run time of the vehicle in pure “electric motor driven” mode, hence reducing substantially the usage of gasoline and air pollution. In addition to Electrovaya’s battery and battery management system, the vehicle will be equipped with an on-board charger, such that the battery can be charged from most 120V electrical outlets, and the batteries are also capable of being charged by the engine.

“The plug-in hybrid electric vehicle concept is gathering momentum in the US and elsewhere and Electrovaya, a co-founder of the Plug-in Hybrid Development Consortium, is proud to be working with the State of New York on this most environmentally important project” said Dr. Sankar Das Gupta, CEO of Electrovaya.

Peter R. Smith, NYSERDA President and CEO said: “NYSERDA is pioneering with Electrovaya the development and use of plug-in hybrid technology and its conversion potential for existing gasoline hybrid cars. Our program includes development, testing and evaluation of national importance.”

“We are pleased that Electrovaya is working on developing Plug-in Hybrids and helping secure New York’s energy future with New York-based industry. Expansion of NYSERDA’s STEP (Saratoga Technology and Energy Park) facilities enables companies like Electrovaya to create the critical mass necessary for the development and use of Clean Energy,” Smith said.

Electrovaya’s New York operations is presently located in Ballston Spa and expected to move to the expanded STEP facilities towards the end of 2007.

**About Electrovaya:**

Electrovaya (TSX: EFL) is a developer and manufacturer of portable power solutions with its proprietary Lithium Ion SuperPolymer(R) 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 Electrovaya and its products, please visit:  
[www.electrovaya.com](http://www.electrovaya.com)

**About NYSERDA:**

The New York State Energy Research and Development Authority (NYSERDA) is a public benefit corporation established by law in 1976. The Saratoga Technology + Energy Park (STEP) is a 280-acre site located in Malta (Saratoga County) master-planned for 1.25 million square feet of office, lab, and light manufacturing. NYSERDA is committed to technologies that address energy needs protect the environment and promote economic development to benefit the State's future. Visit [www.NYSERDA.org](http://www.NYSERDA.org)

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