



News for Immediate Release

***ELECTROVAYA SIGNS MEMORANDUM OF UNDERSTANDING FOR AN
ADVANCED HYBRID ELECTRIC POWERTRAIN FOR US AIR FORCE
RESEARCH LABORATORY***

Toronto, Ontario, October 9, 2007-- Electrovaya (TSX: EFL) today announced that it has entered into a \$0.5 million Memorandum of Understanding (“MOU”) with SatCon Technology Corporation (“SatCon”) to provide batteries for a Hybrid Electric Vehicle (“HEV”) for the US Air Force Research Laboratory.

Pursuant to the MOU, Electrovaya will work with SatCon to design, construct, test and optimize the advanced battery management unit for the HEV, as well as the enclosure for the electrical components and battery pack. This further strengthens Electrovaya’s activities in batteries for transportation, plug in hybrids and electric drives.

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, defence 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

About SatCon:

SatCon Technology Corporation is a developer and manufacturer of electronics and generators/motors for the Renewable Energy, Hybrid-Electric Vehicle, Grid Support, High Reliability Electronics and Advanced Power Technology markets. For further information, please visit the SatCon website at www.satcon.com. The Company's shares trade on the Nasdaq under the symbol SATC.

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