



**ELECTROVAYA ENTERS INTO BATTERY PACK DESIGN AND PRODUCTION
PROGRAM WITH PHOENIX MOTORCARS
ELECTROVAYA INITIATIVES INCREASE ON CLEAN TECHNOLOGY AND CLEAN
TRANSPORTATION**

Mississauga, Ontario – May 6, 2008 – Electrovaya Inc. (TSX: EFL) (“Electrovaya”) today announced it is negotiating a purchase and supply agreement and has begun work on a battery pack design and production program with Phoenix Motorcars, a California-based electric vehicle manufacturer. This project includes certain upfront engineering design services and hardware production. Electrovaya has received payment in advance for a substantial portion of this work.

Electrovaya’s program will be focused on the production of integrated battery systems for Phoenix Motorcars’ long-range, zero-emission, electric, sports utility vehicles (“SUVs”) and sport utility trucks (“SUTs”). These battery systems will feature Electrovaya’s proprietary *Lithium Ion SuperPolymer*® battery technology and integrated intelligent battery management system (“iBMS”). Phoenix Motorcars will develop and manufacture the vehicles at its facility in Ontario, California.

“We are delighted that Phoenix Motorcars has chosen Electrovaya to produce a battery pack for their long-range vehicles. Phoenix Motorcars is a fast growing organization with outstanding management and engineering teams and their aim is to be a global leader in zero emission vehicles,” said Dr. Sankar Das Gupta, CEO of Electrovaya. “We are also proud to develop critical enabling power storage technology that can make a zero emission vehicle a reality, today.”

Phoenix Motorcars’ SUT and SUV vehicles are advanced battery-electric, zero-emission vehicles that can travel at freeway speeds while carrying four passengers and a full payload. These vehicles offer the car-buyer a Zero Emission personal automobile option, helping reduce the emissions from personal automobiles, which are the largest contributors to air pollution.

“We are pleased to have Electrovaya join forces with us, and we are excited to be working with their team and their advanced technologies,” said Phoenix Motorcars CEO, Daniel J. Elliott. “Electrovaya’s innovative *Lithium Ion SuperPolymer*® battery technology stands apart from its peers as a platform, chemistry agnostic technology. Electrovaya’s systems expertise and design experience provide what we need in terms of battery performance.”

About Phoenix MC, Inc.

Phoenix MC, Inc., a privately-held Delaware corporation, headquartered in Ontario, California and doing business as Phoenix Motorcars has been an industry leader in the development of battery-electric, freeway-speed vehicles since 2001. The mission of Phoenix MC, Inc. is to manufacture zero-emission vehicles including SUTs and SUVs to reduce the toxic emissions from the largest contributor to air pollution, personal automobiles. For more information, visit www.PhoenixMotorcars.com

About Electrovaya Inc.

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 portable power to mobile computing, aerospace, defense 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 our website at www.electrovaya.com.

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Forward-Looking Statements

This news 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. Risks are outlined in the Company's MD&A for the year ending September 30, 2007 and are set forth in public disclosure documents filed with Canadian regulatory authorities. By nature, these risks and uncertainties could cause actual results to differ materially from those indicated. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.