



Electrovaya Receives Initial License Payment for Electric Car and Battery Production in Norway

Mississauga, Ontario – October 2, 2008 – Electrovaya (EFL: TSX) announces that it has received from Miljobil an initial payment of US \$1.3 million as partial consideration for a technology license enabling battery and electric car production at a new plant in Norway. Electrovaya is partnering with Miljobil to produce batteries and electric cars in Norway and providing its proprietary and award winning Lithium Ion SuperPolymer® battery technology to give Miljobil's four-door electric vehicles excellent range and highway speed. The zero emission electric vehicles will be sold in Europe and globally.

"We are delighted to develop a world-leading electric vehicle for the European and Global markets with Miljobil" said Dr. Sankar Das Gupta, Chairman of Electrovaya. "The demand for long range highway speed electric vehicles is large and we expect Electrovaya's battery to be the enabling technology to bring Electric Vehicles into commercial success." Dr. Das Gupta continues "Electrovaya's lithium ion Superpolymer® battery has an unparalleled combination of energy density and power density which is necessary to give electric vehicles both long driving range on a single charge as well as acceleration and high speed capabilities."

"Miljobil is delighted to license Electrovaya's technology and bring Miljobil's vision of electric cars to the global market" said Bjørn Nenseth, CEO of Miljobil. "Miljobil has over the years pioneered the use of Electric vehicles in Norway and we are pleased to announce this new development in our ongoing partnership with Electrovaya."

About Electrovaya:

Electrovaya (TSX:EFL) is a world leader in the design, development and manufacture of its proprietary Lithium Ion SuperPolymer® battery systems. Electrovaya's mission is to accelerate clean transportation as a commercial reality with its advanced power systems for all classes of zero-emission electric vehicles and plug-in hybrid electric vehicles. Electrovaya also offers battery-related consumer products primarily focused on the healthcare market.

For further information:

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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 quarter ending June 30, 2008 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.