



News for Immediate Release

Electrovaya Awarded \$5 Million from SDTC for Plug-in Hybrid Electric Vehicle Battery Development

Toronto, Ontario – Thursday July 8, 2010 – Electrovaya (TSX: EFL) is pleased to announce a \$5 million (CDN) contribution from Sustainable Development Technology Canada (SDTC) in support of battery development for plug-in hybrid electric vehicle applications.

Electrovaya is developing its advanced, high energy density *Lithium Ion SuperPolymer®* battery and related systems technologies for a test fleet of plug-in hybrid electric vehicle (PHEV) versions of the Ram 1500 pickup from Chrysler Group's Ram Truck Brand. The SDTC funding will support the continued development of advanced cells and battery modules, the development of a higher throughput battery cell and module production line, and the lifetime performance validation of battery packs to establish commercial value of spent automotive packs.

“Our government continues to invest in projects that reflect our balanced approach to reducing emissions,” said the Honourable Jim Prentice, Minister of the Environment. “This project will create high-quality jobs for Canadians now, and provide us with a healthier environment and sustainable prosperity in the future.”

“High energy and power density batteries such as the ones being developed by Electrovaya are widely seen as the key to the commercialization of clean vehicles”, said SDTC President and CEO Dr. Vicky Sharpe. “It is through funding during the pre-commercialization stages that Canada can lead the way in getting these technologies to the market faster and benefit from an industry which is poised for exponential growth in the next 10 years.”

“Electrovaya is very pleased to partner with SDTC and Chrysler Group for advanced battery solutions that feature both Electrovaya's proprietary *Lithium Ion SuperPolymer®* battery technology and its unique zero-emission manufacturing process,” remarked Dr. Sankar DasGupta, Electrovaya's CEO and founder. “The strategic support of SDTC was critical to Electrovaya's earlier development of advanced battery solutions for its zero-emission fleet vehicle and for the commercial success that Electrovaya has achieved to date.”

About Sustainable Development Technology Canada

Sustainable Development Technology Canada (SDTC) is an arm's-length foundation created by the Government of Canada which has received \$1.05 billion as part of the Government's commitment to create a healthy environment and a high quality of life for all Canadians. SDTC operates two funds aimed at the development and demonstration of innovative technological solutions. The \$550 million SD Tech Fund™ supports projects that address climate change, air quality, clean water, and clean soil. The \$500 million NextGen Biofuels Fund™ supports the establishment of first-of-kind large demonstration-scale facilities for the production of next-generation renewable fuels. SDTC operates as a not-for-profit corporation and has been working with the public and private sector including industry, academia, non-governmental organizations (NGOs), the financial community and all levels of government to achieve this mandate.

About Electrovaya Inc.

Electrovaya Inc. (TSX:EFL) designs, develops and manufactures proprietary Lithium Ion SuperPolymer® batteries, battery systems, and battery-related products for the clean electric transportation, utility-scale energy storage & smart grid power, consumer and healthcare markets. The Company's unique production process does not use toxic solvents. The Company's mission is to accelerate clean transportation as a commercial reality with its advanced power system for all classes of zero-emission electric vehicles and plug-in hybrid electric vehicles. The Company's mission is also to deliver utility-scale energy storage systems for the highest efficiency in electricity storage, whether the electricity is generated from intermittent wind and solar power or from other sources. Founded in 1996 and headquartered in Ontario, Canada, Electrovaya has production facilities in Canada as well as in the US, and customers around the globe. To learn more about how Electrovaya is the energy storage solution for powering mobility and utility-scale storage, please explore www.electrovaya.com.

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Forward-Looking Statements

This press release contains forward-looking statements that involve a number of risks and uncertainties, including statements that relate to, among other things, the Company's objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates, and can generally be identified by the use of words such as "may", "will", "could", "should", "would", "likely", "expect", "intend", "estimate", "anticipate", "believe", "plan", "objective" and "continue" (or the negative thereof) and words and expressions of similar import. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from expectations include but are not limited to: general business and economic conditions (including but not limited to currency rates and creditworthiness of customers); Company liquidity and capital resources, including the availability of additional capital resources to fund its activities; level of competition; changes in laws and regulations; legal and regulatory proceedings; the ability to adapt products and services to the changing market; the ability to attract and retain key executives; and the ability to execute strategic plans. Additional information about material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the Company's most recent annual and interim Management's Discussion and Analysis under "Risk and Uncertainties", as well as in other public disclosure documents filed with Canadian securities regulatory authorities. The Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except as required by law.