



News for Immediate Release

ELECTROVAYA ANNOUNCES Q3 2010 FINANCIAL RESULTS

Revenue Up 48%; Net Loss Improves 60% Versus Year Ago Quarter

Toronto, Ontario – August 16, 2010 – Electrovaya Inc. (TSX: EFL) today announced financial results for the third quarter of fiscal 2010 ended June 30, 2010. All figures are in US dollars.

Third Quarter Fiscal 2010 Financial Highlights

- Revenue totaled \$1,298,000, an increase of approximately 48% compared to \$880,000 in the same quarter of the prior year.
- Net loss for the third quarter improved from \$915,000 during the same quarter in the prior year, to \$363,000 for the quarter ended June 30, 2010, an improvement of over 60%.
- Subsequent to the end of the third quarter, the Company collected a portion of its outstanding receivables, and as of today, its current cash balance on a pro forma basis is approximately \$3.5 million, compared to \$3.4 million at March 31, 2010.

Business Highlights

- Clarence Chandran, the former COO of Nortel joined the Board of Electrovaya in August 2010. Clarence brings to the Company strong relationships and market understanding in the areas of renewable energy, energy storage and strategic power for telecom and other sectors.
- In July 2010, Bruce Coventry, a highly accomplished auto and manufacturing industry executive, joined Electrovaya as VP of Operations. Earlier Mr. Coventry was the President of Chrysler's electric vehicle subsidiary, Global Electric Motorcars, and President of the Global Engine Manufacturing Alliance (GEMA). In GEMA, Mr. Coventry operated the most efficient and leanest engine plant in North America.
- In July 2010, SDTC (Sustainable Development Technology Canada) announced a \$5-million grant program to support Electrovaya's work on developing cells and battery systems for PHEV (plug-in hybrid electric vehicle) applications.
- In June and July 2010, Electrovaya was added to the Ardour Global Alternative Energy and the Global Solactive Lithium Indices.
- Work on the U.S. Department of Energy-supported PHEV program continues with Electrovaya accelerating the supply of complete battery packs, which includes Electrovaya's proprietary Lithium Ion SuperPolymer® cells manufactured uniquely with its award-winning clean manufacturing (NMP-free) process. These battery packs are complete with cells, battery management systems, power electronics, thermal management, and mechanical packaging.

- Smart Grid and Utility-scale energy storage systems have started gaining traction, and the earlier announced program with CEATI and a number of utilities is expected to lead to system installation by early 2011.
- Lux Research of Cambridge, MA recently published a report entitled, “The Governing Green Giants: Makers of Cleantech Nanointermediates on the Lux Innovation Grid” and identified Electrovaya as “scoring the highest in technical value” amongst lithium ion battery companies in the green automotive space.

“During the third quarter of 2010 the intense focus and work on battery systems for electric plug in vehicles continued,” commented Dr. Sankar DasGupta, Electrovaya CEO. “We also made progress on a number of other important fronts, including the strengthening of our management team and Board as we extend our reach beyond the automotive electrification to adjacent and complementary markets such as Smart Grid, Utility-Scale Energy Storage and strategic power for the telecommunications sector, where billions are spent on reliable and high performance energy delivery systems, leading to a growing need for advanced battery solutions. With the addition of Bruce Coventry to our management team, and Clarence Chandran to our Board of Directors, we are continuing on the path of positioning Electrovaya to best capture the opportunities for growth ahead of us.”

Summary of Financial Results

In thousands of US\$ except per share amounts	Three months ended June 30		Nine months ending June 30	
	2010	2009	2010	2009
Revenue	\$ 1,298	\$ 880	\$ 3,289	\$ 2,347
Loss from operations before interest, taxes, foreign exchange and amortization, capital assets write-down and gain on sale of investments	\$ (441)	\$ (483)	\$ (1,349)	\$ (1,247)
Loss for the period	\$ (363)	\$ (915)	\$ (1,850)	\$ (1,126)
Loss per share	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.02)

The Company’s complete Fiscal 2010 Third Quarter and Annual Financial Statements and Management Discussion and Analysis are available at www.sedar.com or on the Company’s website at www.electrovaya.com.

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 and smart grid power, consumer and healthcare markets. 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 other mission is 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 powering mobility, please explore www.electrovaya.com.*

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.

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