



News for Immediate Release

Electrovaya Selected by Major U.S. Utility for Grid Scale Lithium Battery Energy Storage System

1.5MWh Lithium Ion SuperPolymer(R) Battery Energy Storage System

Toronto, Ontario – January 24, 2011 – Electrovaya Inc. (TSX: EFL) today announced that it has been selected by a major U.S. utility to provide a 1.5MWh capacity Lithium Ion SuperPolymer® Battery Energy Storage System for grid storage applications.

The Electrovaya system will provide energy storage for renewable energy integration and the Smart Grid. Energy Storage with Lithium Ion Batteries is a highly efficient means for storing energy from intermittent generating sources like wind and solar. This enables on-demand availability of energy to customers at times of peak energy demand in addition to storing excess production at times of low demand.

“Working with major utilities represents a tremendous opportunity for Electrovaya in the rapidly growing grid energy storage market,” says Dr. Sankar Das Gupta, CEO of Electrovaya. “It validates the importance of our advanced battery technology and its unique clean, non-toxic manufacturing process.” “We are very pleased to work with ABB on this project and look forward to working with them on many other opportunities”.

Electrovaya is partnering with ABB, a leading global power and automation technology company with North American headquarters based in Cary, North Carolina, to provide the power conditioning and conversion equipment for the battery energy storage system.

“ABB is excited to work with Electrovaya on this important grid battery energy storage project,” says Pat Hayes, Account Manager of Energy Storage Systems for ABB. “Electrovaya and ABB will be working closely together on this and other opportunities, as we meet the growing demand for clean energy via safe and reliable technology.”

Electrovaya is the prime contractor in this project and expects the 1.5MWh Energy Storage System to be operating by summer 2011.

About Electrovaya:

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.

About ABB

ABB (www.abb.com) is a technology-based provider of power and automation products, systems, solutions, and services that enable our customers to improve their performance while lowering environmental impact. The ABB Group of companies operates in around 100 countries and employs more than 117,000 people. The company's North American operations, headquartered in Cary, North Carolina, employ about 12,000 people in 20 manufacturing and other major facilities.

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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.