



Scandinavia's First Lithium Battery Electric Car Ferry Completes Six Months of Winter Operations in the Norwegian Fjords

Electrovaya's Lithium Ion Battery Powers Electric Cable ferry "KF Hisarøy" Sailing Daily between Mjånes and Hisarøy

MISSISSAUGA, Canada; Hardbakke, Norway April 2, 2014- Electrovaya Inc. (TSX:EFL) is pleased to announce that the KF Hisarøy electric cable ferry has now been sailing between Mjånes and Hisarøy in Norway daily for six months, with flawless operation over the wintery seas in Norway. The ferry's new propulsion power system consists of a complete rechargeable battery system from Electrovaya in cooperation with Solund Verft, HAFS Elektro & Rør AS and Electrovaya's subsidiary Miljobil Grenland AS in Norway.



The 100 kWh new prototype battery system is based on Electrovaya's new generation *SuperPolymer@2.0* technology. Electrovaya's *SuperPolymer@2.0* battery system provides excellent performance and reliability with an exceptionally small on-board footprint. The battery system is an important step forward for the global maritime industry and a major step towards replacing diesel generators with a greener, toxic-free alternative form of energy. The owner of the vessel is Wergeland AS and Gulen Skyssbåtservice operates the ferry.

The battery electric ferry can save up to approximately 180,750 liters of fuel consumption over its expected lifetime. That has a potential to save about 500 tonnes of emissions; 480 tonnes of CO₂, 9 tonnes of particulate matter and volatile organic compounds, 2 tonnes of carbon monoxide and 2 tonnes of other type of emissions. The Electrovaya lithium ion battery also eliminates all fuel exhaust including the usual carcinogens from diesel exhaust.

The Cable Ferry is operating approximately 10 round-trips per day between the mainland and the Hisarøy Island, a round trip distance of about 1.6 kilometers. The Cable Ferry is driven by two winches on-board and Electrovaya's on-board Lithium Ion battery system is recharged on the mainland between the round trips and over-night. KF Hisarøy is built to carry 49 passengers and 6 cars.



Electrovaya's Lithium Ion Battery Powered Electric Car Ferry in Norway

According to a study by Zero, "Mapping of the potential for battery operation of ferries in Norway," 47 of a total of 125 ferry connections are relevant for battery operation now, with 34 relevant for battery operation in the future. The Norwegian maritime market is expected to be a key driver of battery electrification. By avoiding the use of fossil fuels and instead relying on Norway's hydroelectric power production, there will be a significant reduction of CO₂ and NO_x emissions into the atmosphere. In addition there will be no noise from the diesel engines and no carcinogens from diesel exhaust. Recent studies by the World Health Organization outlined the large quantity of carcinogenic gases produced by diesel exhausts and elimination of diesel exhaust is of major interest worldwide.

"Solund Verft, Electrovaya, Miljobil and its Norwegian partners are very well suited for additional maritime opportunities" said Hans Wergeland, the owner of KF Hisarøy. "This market

is expected to grow to substantially over the coming years, as the demand for environmentally friendly, zero carbon foot-print energy solutions increases. There is growing pressure from the International Maritime Organization and government agencies around the world to move away from fossil-fuel propulsion and hoteling energy solutions.”

“We are delighted to be working with Electrovaya and Miljobil Grenland.” says Svein-Tore Eide, General Manager of Solund Verft AS, the ship building company responsible for the project. “This will be the first battery electric cable and road ferry in Norway and there are also other ferry projects under discussion.” Mr Eide continues “Our customer Wergeland AS also currently operates a diesel driven cable ferry between Duesundøy and Masfjordnes and this ferry is targeted for conversion to electric in the near future.” Mr. Eide says “We selected Electrovaya due to its in-depth understanding of the energy storage system market, its high level of assistance during the design phase and its leading-edge technology.” Mr. Eide concludes “We are excited about the opportunity to partner with Electrovaya and Miljobil on future opportunities in Norway and elsewhere.”

“Electrovaya is pleased to participate in the development of this maritime battery.” says Paul Hart, Chief Financial Officer of Electrovaya. “Electrovaya’s break-through energy technology addresses the Global problems of Climate Change, the reduction of Greenhouse and carcinogenic gases and demonstrates Norwegian leadership in replacing diesel-driven motors. This project enables us to investigate the technical challenges of such systems and positions Electrovaya as a leader in this emerging industry.”

About Electrovaya Inc.

Electrovaya Inc. (TSX:EFL) designs and manufactures proprietary Lithium Ion SuperPolymer® batteries, battery systems and energy storage related products for the clean electric transportation, portable energy, utility scale energy storage, smart grid power, consumer and healthcare markets. The Company's unique & proprietary technology includes a manufacturing process which does not use any toxic chemicals. Founded in 1996 and headquartered in Mississauga, Canada, Electrovaya has production facilities in Canada and customers around the globe. To learn more about how Electrovaya is powering mobility and storing energetic electrons, please explore www.electrovaya.com

About Solund Verft AS:

Solund Verft AS is a privately owned shipyard in western Norway just north of Bergen, and builds and repairs ferries, fishing vessels, coastal freighters, well Boats, Barges, boats and various specialized vessels. It has very good local relationships with ship-owners, constructors and yards, and many subcontractors have local ties and address in the county. Its facilities include a dock with a "Syncrolift" ship lift system with a capacity 1000 tons for building and dry-docking boats on land. The Yard is capable of building and servicing boats of up to 75 metres in length at shore. The Yard has also recently built a ship hall for indoor work. To learn more about Solund Verft AS, please see www.solundverft.no.

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Forward-Looking Statements

This press release contains forward-looking statements, including statements that relate to, among other things, revenue forecasts, technology development progress, plans for shipment using the Company's next generation 2.0 technology, production plans, the Company's markets, objectives, goals, strategies, intentions, 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", including in particular from pages 37 to 38, 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.