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Electrovaya Announces Closing of the Second Tranche of a Brokered Private Placement as part of a Financing to raise up to CDN \$3.0 million

TORONTO, December 31, 2014 - Electrovaya Inc. (TSX: EFL) (the "Company") announces the closing of the second tranche of a "best efforts" brokered private placement to accredited investors of units of the Company sold by Euro Pacific Canada Inc. and Jacob Securities Inc., as co-lead agents. The Company raised combined gross proceeds of approximately Cdn \$2 million from this tranche and the first tranche that closed on December 24, 2014. If a third tranche of the financing is completed, it is expected to be completed on or before January 9, 2015.

Each unit was sold for Cdn \$0.70 and comprises one common share of the Company and one common share purchase warrant of the Company. Each common share purchase warrant is exercisable to acquire one common share of the Company at a price of Cdn \$1.05 for a period of up to 36 months from the date of issue.

The co-lead agents received a cash commission equal to 6.0% of the gross proceeds and broker warrants in an amount equal to 7.0% of the number of units sold. Each broker warrant is exercisable to acquire one common share of the Company at a price of Cdn \$1.05 for a period of up to 36 months from the date of issue.

The new funds will be used for general corporate purposes.

These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from registration is available. This announcement does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in this Private Placement within the United States or to, or for the account or benefit of, U.S. Persons (as defined under Regulation S under the U.S. Securities Act).

About Electrovaya Inc.

Electrovaya Inc. (TSX:EFL) designs, develops and manufactures proprietary Lithium Ion Super Polymer® batteries, battery systems, and battery-related products for energy storage, clean electric transportation, Utility Scale Energy Storage and smart grid power, consumer and healthcare markets. The Company's mission is to mitigate Climate Change by having the highest efficient energy storage systems, accelerate clean transportation with its advanced power system for all classes of zero-emission electric vehicles and plug-in hybrid electric vehicle, deliver Utility Scale Energy Storage Systems, whether the electricity is generated from intermittent wind and solar power or from other sources. Headquartered in Ontario, Canada, Electrovaya has production facilities in Canada and customers around the globe. *To learn more about how Electrovaya is powering mobility, please explore www.electrovaya.com*

For more information, please contact:

Electrovaya Inc.
Telephone: Sean Peasgood at 416.565.2805
Email: Sean@SophicCapital.com

Forward-Looking Statements

This press release contains forward-looking statements, including statements that relate to, among other things, the financing target and 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. There is no guarantee that the Company will raise the full Cdn\$3.0 million and a third tranche of the financing may not be completed. 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 36 to 37, 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.