



News for Immediate Release

ELECTROVAYA COMPLETES TRANSFORMATIONAL ACQUISITION OF LITARION, GLOBAL RIGHTS TO A CERAMIC SEPARATOR AND REPORTS Q2 FY2015 RESULTS

Merges Lithium Ion Technology from Canada and Germany, acquires an operating 0.5 Gigawatt hour plant, which is presently producing for a German Automaker.

Toronto, Ontario – May 14, 2015 – Electrovaya Inc. (TSX: EFL) today provided an update on its business activities and its results for the quarter ending March 31, 2015. All numbers are in US dollars.

Business Highlights:

- The acquisition of Litarion GmbH was completed effective April 30, 2015. The acquisition results in the combination of many years of battery technology development by Electrovaya, Litarion and the original JV partners in Germany. This 0.5 Gigawatt hour capacity plant is the largest in Europe.
- Electrovaya also acquired the exclusive Global Rights to an unique high temperature Ceramic separator, SEPARION™ with ability to expand production and set up additional plants. This ceramic composite separator is protected by over 200 patents and to date has been essentially a captive supplier for a German auto company. Anecdotal evidence shows that while most electric vehicles manufacturers have suffered multiple safety incidents along with the well publicised B787 Lithium Ion based fires, the German auto company who exclusively used SEPARION™ never had a single safety incident even with thousands of electric vehicles operational
- Electrovaya purchased 100% of Litarion as well the Global rights to the Separator, based on its non-toxic process and a nominal payment of Euro 1 million. At closing, Litarion had about Euro 2.7 million in cash and about Euro 7.2 million of inventory, along with tangible assets at an original cost of Euro 80 million, over 50 patents and an on-going fixed price contract to supply a German automaker for its electric vehicles. Litarion expects to receive an additional Euro 3.0 million in cash over the next few months, based on certain adjustments as of the closing date.
- Extra-ordinary Safety: SEPARION™ is a proprietary ceramic composite separator for ultra-safe lithium ion battery applications. This ceramic separator imparts extraordinary safety to a Lithium Ion battery and is a good candidate to become the 'Industry Standard' for safe lithium ion batteries.

- Extraordinary Cycle Life: Cells with SEPARION™ separators and Litarion electrodes (Graphite and NMC electrodes) have been shown to deliver more than 9000 deep discharge cycles (1C charge discharge) which is double the industry standard for cells using such electrodes.
- Deliveries are underway to multiple sectors including Utilities, Distributed Power and Industrials.

Commenting on the quarter, Dr. Sankar DasGupta, CEO of Electrovaya stated “The overall order position and pipeline remain robust in North America. Our recent acquisition of the largest giga-factory in Europe now positions us as a global player with tremendous operating capabilities in both Canada and Europe. The merger of the Canadian technology with German technology allows Electrovaya's Lithium ion to have lowest cost, no toxic chemicals along with extraordinarily long cycle life and unparalleled safety, valuable for energy storage and mobility applications.

Financial Highlights:

- Revenue for the quarter was \$573,000 to various utilities. Gross margin was 23.9%.
- Cash and Cash Equivalents totaled \$721,000 as of March 31, 2015
- \$759,000 of net proceeds were raised through the sale of equity in a brokered private placement during the quarter.

The Company's complete Fiscal Q2, 2015 Second Quarter 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 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 Mississauga, Ontario, Canada, Electrovaya has production facilities in Canada and Germany with customers around the globe. To learn more about how Electrovaya is powering mobility and energy storage, please explore www.electrovaya.com

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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", 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.