



News for Immediate Release

Electrovaya-led consortium receives \$1.7M (CDN) support from Sustainable Development Technology Canada

Advances Electrovaya's *Lithium Ion SuperPolymer*® battery solutions for zero-emission commercial vehicles

Toronto, Ontario – July 12th, 2005

Electrovaya (TSX: EFL), a leader in mobile power, is pleased to announce a \$1.7 million (CDN) contribution from Sustainable Development Technology Canada (SDTC), subject to final contract negotiations. The funding will be used to develop and demonstrate Electrovaya's patented *Lithium Ion SuperPolymer*® battery system in a zero-emission transportation project, principally for vehicle fleet applications.

In addition to SDTC funding, this project is leveraged by an investment of \$3.9 million (CDN) from Electrovaya and consortium partners Unicell, a manufacturer of commercial fleet vehicles and automotive parts for the Canadian and US market; Purolator, a vehicle fleet operator; SouthWestern Energy, an energy company focused on environmentally sustainable energy solutions; and Halton Hills Hydro Limited, a utility company.

“Environmental technologies play not only a key role in our plan to honour our Kyoto commitment, but also in our approach to climate change and clean air over the longer term,” said the Honourable Stéphane Dion, Minister of the Environment. “Clearly, promoting and investing in the development of innovative Canadian technologies is therefore a recurring theme for the Government of Canada.”

“This Electrovaya-led clean transportation project is just one example of the strides in sustainable development that can be made when partners along the supply chain come together — product developers, distributors and customers,” said Vicky J. Sharpe, SDTC's President and CEO. "Our strategic support is enabling technology developers to

address the current need for energy sources that can power commercial vehicles with zero-emissions as a pathway to affordable clean power for all types of vehicles."

"Purolator's vision is to lead the industry to a future standard of zero vehicle emissions. The reduction of our environmental footprint will benefit our customers, employees, the environment and the company," commented Serge Viola, Director of National Fleet/Maintenance for Purolator. "Electrovaya's battery shows great promise for meeting our sustainability goals for transportation."

"We are very pleased to be working with Electrovaya and their SuperPolymer® technology", said Scott Vader President of Unicell Limited. "This will enable our upcoming electric commercial vehicle to have greater range, higher payload and more performance than currently available with existing battery technologies. Electrovaya shares our drive to develop advanced transportation technology that wins on straight economics while also delivering social benefits here and now. The Unicell QuickSider™ with Electrovaya's SuperPolymer® battery pack will reduce well-to-wheels emissions by as much as 80 percent while reducing our customers' energy and maintenance costs."

"Clean transportation as an energy solution and for quality of life is an important part of Southwestern Energy's mandate," said Dan Guatto, President of SouthWestern Energy. "We believe the future lies in battery electric vehicles, and we are excited to be a partner in this project that exemplifies global leadership in clean transportation."

Dr. Sankar DasGupta, CEO of Electrovaya noted, "There is a global push to develop and demonstrate clean transportation and we are delighted that Sustainable Development Technology Canada is supporting Electrovaya and its partners in this area of zero-emission vehicles. Clean transportation is desperately needed worldwide today and we are proud to be a leader in the global race for sustainability."

Electrovaya's award-winning and patented *SuperPolymer*® battery and systems technologies have the potential to enable a long range, clean transportation alternative in

electric drive (battery, hybrid and ultimately fuel cell) vehicles. Recently, Electrovaya was showcased at the EVS21, the 21st International Electric Vehicle Symposium held in Monaco in April 2005, with an invited technical lecture, alongside Ford, Audi and Toyota.

About SDTC:

Sustainable Development Technology Canada (www.sdtc.ca) is a foundation created by the Government of Canada that operates a \$550 million fund to support the development and demonstration of clean technologies — solutions that address issues of climate change, clean air, water quality and soil to deliver environmental, economic and health benefits to Canadians.

An arm's length, not-for-profit corporation, SDTC bridges the gap in the innovation chain between research and commercialization — helping clean technology developers move through the development and demonstration phases, in preparation for commercialization.

SDTC encourages collaboration among private, financial, academic and public sector partners and with the Government of Canada and all levels of government to build a sustainable development technology infrastructure in Canada.

About Unicell:

Unicell is a progressive manufacturer and distributor of truck bodies and equipment, with sales throughout Canada and the Northeastern U.S. Unicell has successfully brought to market several ground-breaking “best in class” truck bodies for Ford and General Motor trucks. For more information, see www.unicell.com.

About Electrovaya:

Electrovaya (TSX: EFL) is a world leader in the field of portable power solutions with its award-winning, patented *Lithium Ion SuperPolymer*® battery technology. Its goal is to become the leading provider of tablet PCs, the premier supplier of portable power for aerospace and wireless sectors, and the principal technology champion in the development of alternative energy applications including UPS, stand-by power and zero-emission vehicles. For more information on Electrovaya and its products, please visit www.electrovaya.com

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