



News for Immediate Release

**Electrovaya joins forces with Malcolm Bricklin's Visionary Vehicles
on Plug-in Hybrid Electric Vehicles**

Joint Venture will manufacture batteries for VV's line of PHEVs

Toronto (January 14, 2008) -- Electrovaya (EFL:TSX) announced today that it has signed a non-binding Memorandum of Understanding (MOU) with New York based Visionary Vehicles (VV) to produce batteries for VV's full line of plug-in hybrid vehicles (PHEVs). The agreement will result in a Joint Venture to develop, manufacture and provide Electrovaya's Lithium-Ion SuperPolymer® batteries and intelligent battery management systems to Visionary Vehicles for use in its PHEVs.

"We have been reviewing battery manufacturers from the United States, Europe and Asia for 14 months," said Visionary Vehicles Founder, Chairman and CEO Malcolm Bricklin. "We are thrilled to have found Electrovaya and we are excited to enter into a long-term strategic partnership with them. This is a complex new terrain and the methodology and science that Electrovaya has developed stands apart from others."

Dr. Sankar DasGupta, CEO of Electrovaya said, "Electrovaya looks forward to working with Malcolm and Visionary Vehicles to commercialize of plug-in hybrids with advanced battery and motor technologies. Together we plan to make low emission transportation affordable and widely available."

The MOU provides for the creation of a Joint Venture that will establish a stand-alone Company, to be owned by both firms equally, to develop and manufacture batteries and battery management systems. All capacity from the resulting new organization will be dedicated exclusively to Visionary Vehicle's electric vehicles. The new organization will also dedicate a significant amount of its proceeds to research and development.

As part of the licensing agreement, the MOU provides for Electrovaya to receive royalties and license fees in addition to a 50% ownership in the joint venture with VV, as well as an option to participate in VV's share structure. The MOU also provides VV with an option to purchase a small portion of Electrovaya's outstanding shares.

The Electrovaya battery is a core component of VV's vehicle strategy and will enable Visionary to bring its vehicles superior energy density, cycle life, service life, and shelf-life in a safe environment.

"Our proprietary SuperPolymer® battery technology and intelligent battery management system (iBMS) enables longer run-times in a smaller space for portable computers, wireless devices, electric vehicles and many alternative energy and mobile power applications," said DasGupta. "Our innovations and technologies are a "platform", whereby continued nanotech R&D with Visionary will enable a future of ongoing



refinements without fear of being a transitory technology. We look forward to the high-volume production clean transportation future with great leaders like Visionary.”

"Through this innovative partnership, we will be able to create new economy scale for our batteries, a barrier that we had to overcome to meet our target MSRP," continued Bricklin, "Our goal is not just to start Visionary Vehicles, it is to compel this new sector industry forward by opening our component strategy and pricing to new entrants."

About Visionary Vehicles

Visionary Vehicles, Inc. was created to design and distribute plug-in hybrid electric vehicles ("PHEVs") in North America and other world market currently not available to the general public. Its vehicles will be designed and engineered to meet or exceed the exacting standards of luxury, performance, quality and safety set by the leading German and Japanese luxury automakers. Visionary Vehicles is working to address the growing and substantial unmet consumer demand for alternative fuel vehicles as a result of growing awareness and concern regarding environmental issues, including the impact of carbon emissions on global warming and the desire for energy independence to promote national security. Visionary Vehicles believes that this demand conservatively translates into a potential market of approximately 2.5 million U.S. consumers in the near-term. The Company was founded by Malcolm Bricklin, the automotive innovator who also founded Subaru of America. Mr. Bricklin currently serves as Chairman and CEO of Visionary. For further information about Visionary Vehicles go to www.vvcars.com.

About Electrovaya

Electrovaya is a developer and manufacturer of portable power solutions with its proprietary Lithium Ion SuperPolymer battery and systems technology. Its goal is to become the preferred provider of clean energy solutions, portable power systems and Lithium Ion Superpolymer batteries. System solutions for mobile applications include: zero emission vehicles, plug-in electric hybrid vehicles, mobile computing (Tablet PCs), solar energy storage, UPS and stand-by power. The company's shares trade on the Toronto Stock Exchange under the symbol EFL. For further information about Electrovaya, see www.electrovaya.com.

Forward-Looking Statements

This news release may contain forward-looking statements that involve a number of risks and uncertainties, including statements regarding the outlook for the Company's business and results of operations. Risks are outlined in the Company's MD&A for the year ending September 30, 2007 and are set forth in public disclosure documents filed with Canadian regulatory authorities. By nature, these risks and uncertainties could cause actual results to differ materially from those indicated. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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