



News for Immediate Release

Electrovaya Enters the Stationary Power & Smart Grid Energy Storage Market in Japan

Electrovaya joins forces with Nippon Kouatsu Electric Co. Ltd.

Toronto, Ontario – November 2, 2009 – Electrovaya Inc. (TSX: EFL) today announced that it plans to enter the stationary power and smart grid energy storage market in Japan.

Nippon Kouatsu Electric Co. Ltd. (NKE) and Electrovaya have signed a memorandum of understanding (MOU) for the development and sales of Electrovaya's integrated advanced battery storage systems for both stationary power and smart grid systems applications, initially targeted for the Japanese market.

Globally, there is an unmet need to capture and store grid electricity for later use. As more renewable energy generation technologies such as solar and wind are implemented, they add a greater amount of intermittent and variable load to the electric grid capacity. This, coupled with standard demand challenges, has created wide daily price variations with overnight and "off-peak" electricity prices being significantly less expensive than in high demand periods. In Japan, this electricity price differential is sufficiently large enough to create an excellent market for technology solutions that allow consumers to capture off-peak, low-price electricity and store it for peak demand periods.

"The emerging need for grid energy storage solutions is a worldwide phenomena, but most acute in Japan," says Mr. Motokuni Takaoka, President of NKE. "To-date various storage battery technologies and kinetic storage techniques, such as pumped hydro and compressed air energy storage have been investigated. These technologies are less than ideal with expensive set-up, ongoing operating costs and a large physical and environmental footprint. We are very excited to partner with Electrovaya to develop and distribute an integrated solution that is smaller, has lower capital cost, negligible operating cost, and a zero-emission production process. After initial success in the Japanese market, we plan to extend our distribution to additional fast growing markets."

Dr. Sankar DasGupta, CEO of Electrovaya adds, "The application of our *Lithium Ion SuperPolymer*® battery technology and system solutions to the smart grid and stationary market in Japan is a very exciting development. These emerging markets are complementary and interconnected. The applications we will address with NKE perfectly complement the capabilities of Electrovaya's electric vehicle division."

"The emerging stationary, smart-grid and electric vehicle (battery and plug-in hybrid) markets require large battery systems that are high performance and cost-effective. This is where Electrovaya's proprietary battery technology advantages are most evident and are a natural technology market fit," added Dr. DasGupta. "Our *Lithium Ion SuperPolymer*® battery

technology is distinguished by two critical features: 1) superior energy density results in smaller and lighter battery systems, and 2) our large-format prismatic cell design enables large-system scale up. These two features together enable custom energy storage solutions that overcome the standard challenges of packaging, performance and volume cost,” continued Dr. DasGupta.

“Electrovaya is delighted to collaborate with NKE, as it has strong relationships and experience in the Japanese utility, electric power and generation markets. NKE’s successful track record of launching new products and technologies to these markets will be particularly valuable in introducing Electrovaya’s advanced solutions to these fast-growing emerging markets,” concludes Dr. DasGupta.

About Electrovaya:

Electrovaya (TSX:EFL) is a developer and manufacturer of its proprietary Lithium Ion SuperPolymer® battery systems. Electrovaya’s mission is to accelerate clean transportation as a commercial reality with its advanced power systems for all classes of zero-emission electric vehicles and plug-in hybrid electric vehicles. Further, it is focused on other large-format emerging markets such as stationary power. It also offers battery-related consumer products primarily for the healthcare market. *For more information about the Company and its products, please visit our website at www.electrovaya.com.*

About Nippon Kouatsu Electric (NKE):

NKE is a leading manufacturer of power distribution equipment. The company enjoys a significant market share in Japan and has been focused on the development of new products that meet a variety of needs of electric power companies and railway companies throughout Japan ever since its inception in 1956. As today’s energy market is evolving quickly with energy sources seeing diversification, NKE’s R&D team is proactively dedicating themselves to keep up with the times and with these changes. NKE has manufacturing plants in Japan, China and Vietnam with clients being major utilities and electric power companies. NKE also partners with major electrical equipment companies such as GE and continues efforts to meet demands of the electric power companies.

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