



News for Immediate Release

Electrovaya Partners on ~\$7.5 million Utility Energy Storage Demonstration

Toronto, Ontario – February 10, 2010 - Electrovaya Inc. (TSX: EFL) today announced that it is the energy storage partner for a utility demonstration project led by CEATI International Inc., headquartered in Montreal. Other partners include major utilities and universities.

The project has been conditionally approved for partial funding support from the Government of Canada's Clean Energy Fund and final contract negotiations are underway. The total project cost is estimated at approximately \$7.5 million.

The large-scale, multi-site, multi-partner initiative will demonstrate the capabilities, versatility and economics of utility-scale electricity storage based on Electrovaya's modular *Lithium Ion SuperPolymer*® battery technology. The following clean energy challenges will be addressed:

- Electricity storage for intermittent renewable energy generation;
- Electricity storage for high-density urban applications to meet growing new electric loads; and
- Investigation into repurposing electric vehicle batteries for Smart Grid application.

"Energy storage is poised to become a significant element of the electric utility landscape, and a key factor in advancing the growth of renewable and clean energy alternatives that will promote energy efficiency and reduce greenhouse gas emissions", said Alex Mogilevsky, Director of Operations of CEATI International. "We are pleased to take part in this highly innovative and exciting project."

Sankar DasGupta, CEO of Electrovaya added, "We are excited to partner on a very important and strategic challenge: a cleaner electric grid. This is made possible by using advanced batteries to enable more efficient transmission and usage of renewable energy. This project will demonstrate the capabilities, versatility and economics of utility-scale electricity storage using advanced *Lithium Ion SuperPolymer*® battery technology similar to what we have developed for electric vehicle applications." He continued, "This emerging market holds tremendous opportunity for Electrovaya. According to industry experts, spending on the global energy storage market is expected to exceed \$600 billion over the next 10-12 years."

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 transportation, smart grid power, consumer and healthcare 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. Founded in 1996 and headquartered in Ontario, Canada, Electrovaya has production facilities in Canada as well as in the US, and customers around the globe. *To learn more about how Electrovaya is powering mobility, please explore www.electrovaya.com.*

About CEATI International Inc.

CEATI (Centre for Energy Advancement through Technological Innovation) brings together utility industry professionals to identify and address technical issues that are critical to their organizations. Through 14 focused Interest Groups and specialized Taskforces in the areas of Power Generation, Transmission, Distribution and Utilization, over 120 organizations worldwide (electric & gas utilities, governmental agencies, provincial and state research bodies) substantially benefit from technical networking and best practices exchange as well as Research and Development Project cost sharing opportunities. Participants can undertake projects that respond to their strategic goals at a fraction of the cost of doing so independently. The need for international breadth and inter-industry applicability in technology development is addressed through a practical, dynamic and cost effective program. CEATI is headquartered in Montreal, Quebec, Canada. For more information, please explore www.ceati.com.

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Forward-Looking Statements

This press release contains forward-looking statements that involve a number of risks and uncertainties, including statements that relate to, among other things, the Company's objectives, goals, strategies, intentions, plans, 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.