



CON EDISON OF NEW YORK ORDERS HYBRID ELECTRIC TRUCKS FROM AZURE DYNAMICS

Oak Park, Michigan – August 28, 2008 – Azure Dynamics Corporation (TSX: AZD, LSE: ADC & OTCQX: AZDDF) – (“Azure” or the “Company”), a leading developer of hybrid electric and electric powertrains for commercial vehicles, announced today that it has received an initial order for three units from Con Edison of New York for its Balance™ Hybrid Electric system integrated on Ford’s E450 chassis.

Jay Sandler, Azure’s Vice President of Sales commented, “This commitment from a leading utility like Con Edison further demonstrates the versatility and broad application of our hybrid electric solution. The environmental benefits derived from the Balance™ Hybrid Electric vehicle provides a clear statement that Con Edison is taking a lead role in greenhouse gas reductions.”

“Con Edison is committed to reducing its carbon foot-print by using hybrid vehicles and other innovative transportation technologies,” said Kenneth P. Jack Jr., General Manager of Transportation at Con Edison and Orange and Rockland. “Part of our strategy is to steadily replace our trucks with technology such as Azure’s; reducing our dependency on petroleum-based fuels, improving New York’s air quality and meeting the challenges associated with climate change.”

The Azure Balance™ Hybrid Electric system specified by Con Edison has unique attributes like engine-off at idle and at below 20 miles per hour, while electronically supporting key ancillary functions like air conditioning, power steering and braking. The powertrain, with a Ford 5.4L engine, can improve fuel economy by up to 40%, while reducing carbon emission by up to 30% in city conditions. The powertrain also offers a significant reduction in maintenance costs including up to 75% reduction in brake maintenance versus conventionally equipped competitors.

About Azure Dynamics

[Azure Dynamics Corporation \(TSX: AZD\) \(LSE: ADC\) \(OTCQX: AZDDF\)](#) is a world leader in the development and production of hybrid electric and electric components and powertrain systems for commercial vehicles. Azure is strategically targeting the commercial delivery vehicle and shuttle bus markets and is currently working internationally with various partners and customers. The Company is committed to providing customers and partners with innovative, cost-efficient, and environmentally-friendly energy management solutions.

For more information please visit www.azuredynamics.com.

The TSX and LSE Exchanges do not accept responsibility for the adequacy or accuracy of this release.

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Forward-looking Statements

This press release contains forward-looking statements. More particularly, this press release contains statements concerning Azure's business development strategy, projected commercial revenues and product deliveries.

The forward-looking statements are based on certain key expectations and assumptions made by Azure, including expectations and assumptions concerning achievement of current timetables for development programs, target market acceptance of Azure's products, current and new product performance, availability and cost of labour and expertise, and evolving markets for power for transportation vehicles.

Although Azure believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Azure can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with Azure's early stage of development, lack of product revenues and history of losses, requirements for additional financing, uncertainty as to commercial viability, uncertainty as to product development and commercialization milestones being met, uncertainty as to the market for Azure's products and unproven acceptance of Azure's technology, competition for capital, product market and personnel, uncertainty as to target markets, dependence upon third parties, changes in environmental laws or policies, uncertainty as to patent and proprietary rights, availability of management and key personnel, and acquisition integration risk. These risks are set out in more detail in Azure's annual information form which can be accessed at www.sedar.com.

The forward-looking statements contained in this press release are made as of the date hereof and Azure undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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