



AZURE DYNAMICS ANNOUNCES CLOSING OF PREVIOUSLY ANNOUNCED PRIVATE PLACEMENT

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Oak Park, Michigan - August 13, 2009 – Azure Dynamics Corporation (TSX: AZD) – (“Azure” or the “Company”), a leading innovator in the development of environmentally friendly and cost effective hybrid electric and electric technologies for commercial vehicles, announced today that it has closed its previously announced private placement offering of 58,823,529 common shares at a price of CDN\$0.17 per common share (the “Issue Price”) for gross proceeds of approximately CDN\$10,000,000 (the “Offering”).

The Offering was conducted through a syndicate of agents co-led by Raymond James Ltd. and TD Securities Inc. and including Paradigm Capital Inc. and Stonegate Securities, Incorporated as co-managers (collectively, the “Agents”).

As part of the Offering, the Company issued an aggregate of 1,285,294 common shares at the Issue Price to the following executive officers and directors of the Company.

Name	Number of Shares	Total Share Holdings Following the Offering
Nick Brigstocke	294,117	708,685
Brian Colburn	44,118	44,118
Jim Gouin	147,059	147,059
Scott Harrison	264,706	644,706
Curt Huston	88,235	128,235
Ron Iacobelli	88,235	282,254
Jay Sandler	58,824	78,824
Dennis Sharp	300,000	2,212,410

The Company plans to use the net proceeds of the Offering to fund its ongoing product development and commercialization efforts as well as general corporate purposes.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities of Azure in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or unless an exemption from such registration is available.

About Azure Dynamics

[Azure Dynamics Corporation \(TSX: AZD\)](#) 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 Exchange does 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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