



Azure Dynamics Awarded Two New Patents

Oak Park, Michigan – July 17, 2009 – Azure Dynamics Corporation (TSX: AZD) – (“Azure”) or (the “Company”), a leading developer of state-of-the-art green technologies that address environmental and cost issues for the commercial transportation industry, announced today that it has earned two new patents for innovations for its proprietary hybrid electric drive trains. Azure Dynamics broad patent portfolio includes 21 total patents issued or pending. The two patents issued on July 14, 2009 bring the total Azure patents issued in the United States to 13. The newest additions address key value-adding components applicable to electric, hybrid and PHEV vehicle drive trains.

“Azure Dynamics is a technology-driven company that continually seeks new solutions to improve hybrid electric transportation in the commercial vehicle sector,” said Ron Iacobelli, Azure’s Chief Technology Officer. “These new patents further the company’s position as a leading innovator in power electronic components and motor controllers that advance our technology and, ultimately, its value to our end user customers by improving performance of the vehicle control system.”

The first new patent (U.S. patent No. 7,560,895) relates to indirect rotor resistance estimation system and method. This method provides a way of sensing the rotor temperature of an AC induction motor without requiring any additional hardware in the motor or inverter. “With this invention, an indirect rotor temperature measurement can be obtained and continuously updated during the operation of the motor. A good estimation of the rotor temperature allows for more accurate torque control, faster torque response, improved efficiency and improved thermal protection,” said Beat Arnet, Azure Dynamics Director of Hybrid Power Electronics.

The second new patent (U.S. patent No. 7,561,008) relates to a filter package that includes a pair of spaced circuit boards with a magnetic core between the circuit boards. This invention resulted from the realization that a smaller, lighter, compact filter can be achieved by packaging the core between a pair of circuit boards with the core windings interconnected to/through the circuit board(s).

“We applaud our engineering team’s contributions as it continues to advance hybrid and electric vehicle technology,” said Iacobelli. “The addition of these two patents along with our pending portfolio of work continues to enhance our leadership position in technology in our space and further demonstrates the breadth and experience in our technical team with patents ranging from vehicle level hybrid controls down to power electronics hardware controls and battery management.”

The new technologies and hardware will be incorporated into the Azure Balance™ Hybrid Electric drive train currently in operation for both delivery truck and shuttle bus fleets. The Balance™ Hybrid Electric can improve fuel economy by 30%, reduce maintenance costs by 30% and reduce greenhouse emissions by 30%. With its electric-launch assist, engine-off at

idle and regenerative braking, the Azure Balance™ Hybrid Electric has become a preferred solution for fleet managers looking to reduce overhead costs and lessen environmental impact.

For a complete listing of Azure's international patent portfolio and other company news, please visit www.azuredynamics.com.

About Azure Dynamics

[Azure Dynamics Corporation](http://www.azuredynamics.com) (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.

FOR MORE INFORMATION ON AZURE, CONTACT:

Ron V. Iacobelli, Azure Dynamics, Chief Technology Officer, (604) 419-6362
Email: riacobelli@azuredynamics.com

Patrick Liebler, Liebler Group, (248) 229-4418
Email: pat@lieblergroup.com