



AZURE DYNAMICS SIGNS THREE ADDITIONAL SALES & SERVICE AGREEMENTS WITH FORD DEALERSHIPS

Oak Park, Michigan – July 02, 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 it has signed three additional Sales & Service agreements with Ford dealerships. Agreements have been signed with Valley Ford Trucks in Cleveland, Ohio; East Bay Ford Trucks in Oakland, California and Mission Valley Ford Trucks in San Jose, California. The agreements are part of the company’s plan to sign approximately 50 dealers over the next year in major metro markets in the United States and Canada to broaden its distribution network for its Balance Hybrid Electric Vehicle.

These dealerships will maintain inventory of ready to deliver Cube Vans and Walk in Vans equipped with Azure’s Balance Hybrid Electric powertrains.

The Balance Hybrid Electric system is integrated on Ford’s E450 Cutaway and Strip Chassis drive system utilizing a conventional 5.4 litre Triton gasoline engine and the 5-speed automatic TorqShift transmission. The hybrid powertrain features electric-launch assist, engine-off at idle and regenerative braking improving the vehicle’s fuel economy by up to 40 percent, reducing maintenance cost by up to 30 percent and minimizing greenhouse gas emissions.

“We are excited to add three more dealerships to our rapidly expanding distribution network,” said Jay Sandler, Vice President of Sales for Azure Dynamics. “Each of these dealerships is a highly-regarded commercial vehicle specialist that understands the growing demand for more fuel efficient, low maintenance and environmentally friendly commercial vehicles like the Azure Balance Hybrid Electric vehicle.”

For more information about Azure Dynamics and its family of hybrid electric and electric commercial vehicles, please visit www.azuredynamics.com .

About Azure Dynamics

[Azure Dynamics Corporation \(TSX: AZD\) \(LSE: ADC\) \(OTCQX: AZDDF\)](http://www.azuredynamics.com) 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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