



News Release

For Immediate Release

AZURE DYNAMICS CORPORATION ANNOUNCES APPOINTMENT OF JEAN-RENE MARCOUX

Vancouver, British Columbia – January 22, 2002

Azure Dynamics Corporation (CDNX - AZD) ("Azure") is pleased to announce that Jean-Rene Marcoux, President and Chief Executive Officer of Hydro-Quebec CapiTech Inc. ("CapiTech") and General Manager – Business Development and Affiliates of Hydro-Quebec, will join the board of Azure following CapiTech's \$2,000,000 investment in Azure. The investment was made by CapiTech pursuant to pre-arranged transfers to CapiTech of 3,640,000 shares over the facilities of the Canadian Venture Exchange on January 18, 2002 at a price of \$0.55 per share.

Jean-Rene Marcoux joined Hydro-Quebec in 1969 working at IREQ in research. He then held various management positions at GEC-Alsthom and ABB related to business development, before returning to Hydro-Quebec International as a consultant. He became CEO of CapiTech in 1998.

Jean-Rene Marcoux said "I am pleased to join the Azure Board of Directors and I am particularly excited about their near term commercialization strategy which is very innovative and could have a positive impact on other CapiTech investments in this sector."

Campbell Deacon, Chairman of Azure Dynamics said, "We are delighted to have Capitech and Jean-Rene Marcoux take an active role in supporting Azure's objective to become a recognized world leader in hybrid electric vehicle systems for commercial vehicles."

Concurrent with this investment, Azure Dynamics and CapiTech have entered into a strategic alliance agreement.

Hydro-Quebec CapiTech Inc., a Hydro-Quebec subsidiary created in 1998, is a corporate venture capital company that invests in companies whose technological products and services are related to the energy field.

Azure Dynamics Corporation is an innovative company that has developed proprietary hybrid electric vehicle technology for retrofit and new vehicle powertrains in the light to medium duty commercial vehicle category. Azure's intellectual property combined with interchangeable, off-the-shelf components provides an affordable and effective solution for fleet managers in applications such as postal and courier delivery fleets.

Azure's series hybrid vehicle technology is also a gate way to fuel cells becoming economical and operational. A series hybrid system (battery plus fuel cell) enables a reduction in the size and performance requirements of the fuel cell thereby lowering the cost of the system while increasing the overall efficiency of the vehicle through the capture of regenerative braking energy.

FOR MORE INFORMATION, CONTACT:

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Note: The foregoing information may contain forward-looking statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. Such factors include, but are not limited to: the ability to raise the capital required for product development and operations, product development delays, changing environmental regulations, the ability to attract and retain business partners, competition from other developers of hybrid electric vehicle control systems, competition from other advanced or existing power technologies, evolving markets for power for transportation vehicles. These factors should be considered carefully and readers should not place undue reliance on Azure's forward-looking statements. Investors are encouraged to review the risks detailed from time to time in the company's filings with regulatory authorities.

The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release