

Attention Business Editors:
Azure Dynamics announces \$750,000 financing

VANCOUVER, BC, Nov. 21 /CNW/ - Azure Dynamics Corporation (TSX Venture - AZD) ("Azure") is pleased to announce a series of private placement financings for gross proceeds of \$750,000.

Hydro-Québec CapiTech Inc. ("CapiTech") has increased its investment in Azure by a further \$500,000 and additional investors have contributed \$250,000. Campbell Deacon, Chairman of Azure Dynamics said, "Hydro-Québec CapiTech, as well as other investors, have continued to support us at an important time in our evolution. These funds will enable Azure to pursue certain strategic goals of its commercialization strategy."

CapiTech purchased 800,000 shares, at \$0.50 per share, for a total of \$400,000 via a pre-arranged sale earlier today by a non-insider shareholder through the facilities of the TSX Venture Exchange. The \$400,000 proceeds from the share sale, together with additional subscriptions totaling \$250,000, are committed to a private placement of 1,300,000 units of the Company, at a price of \$0.50 per unit, for proceeds of \$650,000 (the "Unit Financing"). CapiTech has also agreed to invest a further \$100,000 in a private placement of 200,000 special warrants of the Company at a price of \$0.50 per special warrant (the "Special Warrant Financing"). Total proceeds are therefore \$750,000.

Under the Unit Financing, each unit is comprised of one common share of the Company and one quarter warrant, each whole warrant being exercisable into one common share at \$0.55, until November 30, 2003. A portion of the Unit Financing may be brokered by Loewen & Partners Corporate Services Inc.; Directors of the Company may participate in the Unit Financing for up to \$75,000. Under the Special Warrant Financing, each special warrant is exercisable into one common share of the Company and one warrant, each warrant being exercisable into one common share at \$0.55, until November 30, 2003. Both the Special Warrant Financing to CapiTech and the Unit Financing are subject to regulatory approval.

The gross proceeds from the placement will be used for general corporate purposes as well as ongoing research and development of Azure's hybrid electric powertrains and proprietary smart energy management technology for light and medium duty commercial vehicles.

Azure Dynamics Corporation is an innovative company that has developed proprietary hybrid electric vehicle technology for retrofit and new vehicle powertrains in the light and medium duty commercial 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 the postal and courier delivery fleets.

Azure's series hybrid vehicle technology is also a gateway to fuel cells becoming practical, both economically and operationally. A series hybrid system (battery plus fuel cell) enables a reduction in the size of the required fuel stack and also allows much simpler power electronics thereby lowering the cost of the total fuel cell system and also simplifying many application issues.

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ST: British Columbia

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SU: FNC

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