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Attention Business/Automotive Editors:
EnCana sponsors clean air R & D for Azure Dynamics/Canada Post Hybrid Prototypes

TORONTO, April 4 /CNW/ - A $1 million sponsorship of Azure Dynamics Corporation's Smart Energy Management Technology for hybrid electric vehicles ("HEV") may help Canada's national postal service deliver cleaner air along with parcels and letters within three years.

EnCana Corporation today jointly announced, with Azure Dynamics Corporation, a $1 million sponsorship of an 18-month pilot program to begin in-service testing of five retrofitted Canada Post delivery vans utilizing Azure's hybrid electric powertrains. The vans will be utilized in regular Canada Post delivery routes. Two more vans will undergo stringent laboratory testing in extreme conditions to quantitatively validate their performance. The first hybrid vehicle will begin operating in one of Canada's major cities in August, 2003. The vehicles will feature Azure-developed hybrid powertrains that have the ability to regenerate energy in the brake cycle and can reduce fuel consumption by over 50% and reduce emissions by up to 90%. The units will be 'cluster-tested' in Vancouver, Calgary, Toronto, Ottawa and Montreal.

The technology is a sophisticated energy management system for HEV powertrains and offers real-time energy management to optimize performance of the HEV propulsion system components. It adapts the control system to actual operating conditions.

"Our technology is designed to enable the use of smaller engines and even fuel cells when they become economic. This lowers the premium cost of hybridization in addition to reducing operating costs and fuel consumption. As a result, fleet managers now have an economic case that significantly improves margins while lowering emissions," explained Campbell Deacon, Chief Executive Officer of Azure.

Gwyn Morgan, President and Chief Executive Officer of EnCana said the sponsorship of Azure is consistent with his company's publicly stated commitment to be part of sustainable energy solutions related to major societal issues such as reducing smog in urban centres.

"Contrary to a popular misconception surrounding the whole Kyoto debate, CO(2) is not a contributor to smog. The potential of the Azure technology is to dramatically reduce tailpipe emissions of such pollutants as N0x and SO2, which actually do contribute to smog in our cities," said Mr. Morgan.

"EnCana has consistently reduced such emissions in its own operations. As well, our carbon dioxide enhanced oil recovery project in Weyburn, Saskatchewan is performing well, sequestering 1.2 million tonnes of CO(2) per year, positioning the Company as also being a leader in greenhouse gas reductions. This project is the focus of a research consortium led by the International Energy Agency and involving government, industry and research organizations from Canada, the United States, Europe and Japan," said Mr. Morgan.

Mr. Morgan said, "EnCana's sponsorship supports the company's position that Canada should look beyond the framework of the Kyoto agreement to deal with other air pollutants. The public benefits because success with this technology will propel smog reduction in urban centers. The Company should also realize its proportional share of research and development credits earned through application of this technology. EnCana also earns a right of first offer to participate in other prototype programs as this technology comes to market."

In simple terms, Azure's HEV has an electric motor, an energy storage system (batteries), and an additional energy source, such as a small internal combustion engine/generator. A key feature is that it regenerates braking energy to charge the batteries, thereby extending the vehicle range. Azure's HEV can function as a pure electric vehicle for relatively short commutes while retaining the full capability of a conventional vehicle. The Canada Post

step vans are ideal HEV candidates because of their stop and go drive cycle which facilitates the capture of regenerative braking energy and also benefits from the elimination of engine idling. One vehicle emission study conducted in England showed vehicles like step vans represented 12% of kilometres driven but were responsible for up to 25% of ground level emissions.

Calgary-based EnCana Corporation is one of North America's leading independent upstream oil and natural gas companies.

Azure Dynamics Corporation is an innovative company that has developed proprietary hybrid electric vehicle technology for the light and medium duty commercial vehicle category. Azure was the recipient of the Canadian Energy Efficiency Award 2003 from Natural Resources Canada in the category of transportation (light duty commercial vehicles) and also received the 2002 Applied Energy Innovation Award from the Canadian Institute of Energy (BC).

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