



News Release

AZURE DYNAMICS AND PUROLATOR COURIER SIGN SUPPLY AGREEMENT FOR UP TO 2,000 HYBRID ELECTRIC VEHICLES

Vancouver, British Columbia— September 22, 2003

[Azure Dynamics Corporation](#) ([TSX Venture Exchange - AZD](#)), (“Azure”) a leading developer of hybrid electric powertrains for commercial vehicles and [Purolator Courier Ltd.](#), Canada’s largest courier company, are pleased to announce the signing of a supply agreement with Azure Dynamics Inc., a subsidiary of Azure, which as a first step may lead to the supply, subject to certain conditions, of up to 400 hybrid electric powered chassis per annum over a 5 year period to be installed in urban delivery vehicles in the Purolator fleet. The contract could be valued at approximately \$90 million and follows from the Memorandum of Understanding signed by Azure and Purolator in October 2002.

Campbell Deacon, Chairman and CEO of Azure Dynamics said, “The contract specifies the delivery of 30 preproduction vehicles and then annual production orders will follow subject to achievement of certain performance standards and other contract provisions. Azure has recently announced a strategic alliance and joint branding agreement with ZF Sachs. Azure’s Smart Energy Management System combined with the electric components ZF Sachs is supplying will provide Purolator with what we believe is the most efficient and cost effective hybrid electric powertrain in this vehicle sector.”

“First and foremost, we had to ensure that our customers would continue receiving the standard of service they’re used to from Purolator,” said Ray Pedersen, Senior VP of Operations and Field Sales at Purolator. “So we put the vehicle through rigorous testing in Calgary and Vancouver during the fall and winter of 2002/2003. The technology and its reliability passed with flying colours, giving us the confidence to place this order and to plan an on-going program of fleet replacement.”

Mr. Deacon went on to say, “This is a watershed event in the battle to help clean up urban transportation smog in Canada. Purolator, Canada’s largest courier, is taking a leadership role by becoming the first Canadian courier company to commit to hybridize their urban fleet. Azure’s HEV powertrain has demonstrated fuel savings in excess of 50% while reducing emissions by up to 90%.”

As Canada's leading overnight courier company, [Purolator Courier Ltd.](#) of Mississauga, Ontario is committed to making shipping the easiest part of the day for its customers. From automated solutions to 24 hour pick up and delivery, Purolator provides customers with the services and customized solutions required to get their shipments across town or around the world. Purolator operates Canada's largest dedicated air express fleet. Purolator has an extensive service network, with over 13,000 employees, including more than 4,000 couriers, over 140 operations locations, over 170 Shipping Centres, over 490 Authorized Shipping Agents and more than 480 drop boxes. Purolator processes over 5.5 million pieces (delivery and pick up) each week for

destinations across Canada and around the world. For more company information please visit our website at www.purolator.com.

[Azure Dynamics Corporation](http://www.azure-dynamics.com) 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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The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

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