



## News Release

# AZURE DYNAMICS CORPORATION ANNOUNCES INCREASE IN PRIVATE PLACEMENT - ESTIMATED PROCEEDS NOW CDN. \$10,000,000

Toronto, Ontario — November 27, 2003

[Azure Dynamics Corporation](#) (“Azure” or the “Company”) ([TSX Venture Exchange \(“TSXV”\) symbol: AZD](#)), a leading developer of hybrid electric powertrains for commercial vehicles, is pleased to announce that, due to the positive response the Company has received, the size of its Cdn. \$5,000,000 private placement offering previously announced on November 10, 2003 has been increased. The Company has sought conditional approval for up to a maximum of Cdn. \$11,000,000 but anticipates the offering will close for proceeds of Cdn. \$10,000,000. The previously announced over-allotment option will no longer be included in the offering. As per the previously announced terms of the offering, units of the Company (“Units”) are being offered at a price of Cdn. \$0.42 per Unit. Each Unit will consist of one common share (“Common Share”) of the Company and one-half Common Share purchase warrant (“Warrant”). Each whole Warrant will entitle the holder to purchase one Common Share at a price of Cdn. \$0.62 per share for up to one year after the closing of the offering. The offering is anticipated to close on or about November 28, 2003 and is subject to the receipt of regulatory approval.

The purpose of the financing is to provide the Company with funds needed for immediate liquidity and working capital requirements and to redeem, if necessary, up to Cdn. \$2,216,000 principal amount of the Company’s issued and outstanding convertible debentures (the “Debentures”). The closing of the offering triggers an obligation of the Company to offer to redeem the Debentures. Debenture holders can elect to be repaid in cash or can exercise their right to convert their Debentures into Common Shares at a conversion rate of Cdn. \$0.30 per Common Share.

Under the terms of the offering, the selling group will receive a cash commission equal to 7% of the proceeds that it raises, and Kingsdale Capital Markets Inc. (“Kingsdale”), in its capacity as lead agent for the Company, will receive an additional override cash commission equal to 2% of those proceeds that are attributable to other agents. In addition, Azure will issue compensation options to the selling group equivalent to 7% (with an additional 3% override for Kingsdale in respect of proceeds attributable to other agents) of the number of Common Shares issued pursuant to the offering. The compensation options will be exercisable for a period of 12 months after the closing of the offering and agents will be entitled to purchase Common Shares at a price of Cdn. \$0.495 per share. The number of Common Shares that may be issuable upon the exercise of the compensation option will be determined at closing.

[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).

*The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.*

**FOR MORE INFORMATION, CONTACT:**

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