



News Release

AZURE DYNAMICS CLOSES £1,750,000 PRIVATE PLACEMENT

Toronto, Ontario — March 11, 2004

[Azure Dynamics Corporation](#) ("Azure" or the "Company") ([TSX Venture Exchange: AZD](#)), a leading developer of hybrid electric powertrains for commercial vehicles is pleased to announce that yesterday it closed a private placement financing (previously announced on March 2, 2004) for gross proceeds of £1,750,000 (approximately Cdn. \$4.3 million). The placement was led by Ludgate Investments Limited, of London, England.

The private placement, which was fully subscribed by United Kingdom and European investors, consisted of 4,861,110 common shares of the Company at a price of £0.36 per share – the hold period for these securities expires on July 11, 2004. The Company will receive net proceeds of approximately Cdn. \$3.9 million after deducting agents' commissions and other issue costs. Immediately after closing the private placement, the Company had 83,538,252 issued and outstanding common shares. The Company completed the financing to supplement its cash reserves to facilitate the achievement of certain milestones in a timely manner. The Company therefore intends to use the proceeds, in whole or in part, to pursue these milestones and for the immediate liquidity and working capital requirements of the Company.

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

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