



## News Release

# Azure Dynamics Announces Financing Progress

Toronto, Ontario – July 14, 2004

[Azure Dynamics Corporation](#) (“Azure” or the “Company”) ([TSX: AZD](#)), a leading developer of hybrid electric powertrains for commercial vehicles announced today that it has filed an amendment and restatement of the short form preliminary prospectus it filed on June 14, 2004 in connection with the best efforts offering (the “Canadian Offering”) being undertaken on its behalf by Paradigm Capital Inc. (“Paradigm”). The amended and restated preliminary short form prospectus will reflect the Company’s Canadian Offering at approximately \$3.2 million and consisting of units (“Units”) with each Unit being comprised of one common share and one half of one common share purchase warrant (“New Warrants”). Each whole New Warrant will entitle the holder to acquire one common share of the Company at an exercise price of \$1.00 for the one year period immediately after closing after which time the New Warrants will expire.

D. Campbell Deacon, Deputy Chairman and CEO, stated, “We are confident that, subject to receipt of regulatory approval, the amended Canadian Offering and the previously announced UK financing arrangement will collectively result in aggregate new capital for the Company of approximately \$11.5 million by December 15, 2004. The additional new capital is expected to satisfy the working capital requirements of the Company to the end of December, 2005, based on existing plans, as well as satisfy the working capital criteria established by the Alternative Investment Market (“AIM”) of the London Stock Exchange as a condition of listing. Also, the additional new capital will ensure Azure’s continued eligibility for up to \$3 million of previously announced Technology Partnerships Canada funding, subject to TPC conditions.”

The financing is anticipated to close on or about 23<sup>rd</sup> July 2004.

[Azure Dynamics Corporation](#) provides Hybrid Electric Vehicle technology for light and medium duty commercial vehicles in urban areas. Azure is a public company trading on the Canadian TSX Exchange. The company is currently working with various partners and customers worldwide including Purolator Courier, Canada Post, London Taxis International, Leyland Product Development, Renault Trucks UK, and the United States Postal Service. Azure has employees based in Canada, the United States and the United Kingdom.

**Note:** The foregoing information may contain forward-looking statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. Such factors include, but are not limited to: the ability to raise the capital required for product development and operations, product development delays, changing environmental regulations, the ability to attract and retain business partners, competition from other developers of hybrid electric vehicle control systems, competition from other advanced or existing power technologies, evolving markets for power for transportation vehicles. These factors should be considered carefully and readers should not

place undue reliance on Azure's forward-looking statements. Investors are encouraged to review the risks detailed from time to time in the company's filings with regulatory authorities.

**FOR MORE INFORMATION, CONTACT:**

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