



News Release

Azure Dynamics Completes Acquisition of US-based Solectria

Toronto, Ontario – January 31, 2005

[Azure Dynamics Corporation](#) (TSX – AZD & LSE - ADC) (“Azure Dynamics”, or the “Company”) a leading developer of hybrid electric powertrains for commercial vehicles today announced that it had successfully completed the acquisition of Solectria Corporation (“Solectria”), a leading US hybrid electric powertrain and components supplier.

“With the acquisition of Solectria, Azure Dynamics becomes a world leader with probably the largest dedicated engineering group in hybrid commercial vehicles. The combined companies will provide a broad range of hybrid commercial powertrains and will have a customer base and sales in North America, Europe and the Far East,” said Mr. Campbell Deacon, Chief Executive Officer of Azure Dynamics Corporation.

Azure Dynamics acquired all the outstanding shares of Solectria in exchange for 25,297,655 of its common shares, resulting in Solectria’s former shareholders now owning approximately 19.8% of the Company’s issued and outstanding common shares. The newly issued shares have been conditionally approved for listing on the Toronto Stock Exchange. Application has also been made for the shares to be admitted to AIM and trading on AIM is expected to commence at 8.00 a.m. on February 4th, 2005. Solectria will henceforth operate as Azure Dynamics US Inc.

[Azure Dynamics Corporation](#) and its group of companies provide hybrid electric and electric vehicle technology for commercial and military vehicles. Azure Dynamics is a public company trading on both the TSX exchange in Canada as well as the AIM market in London, UK. The Company is a world leader in the development and manufacture (outsourced) of hybrid electric and electric commercial vehicles and systems. In its history, the group has delivered more than 4,000 electric and hybrid electric vehicles (greater than 25 million miles of vehicle experience). Azure Dynamics is currently working internationally with various partners and customers including Purolator Courier Ltd., Canada Post, DHL, London Taxis International, US Department of Defence, Leyland Product Development, Renault Trucks UK and the United States Postal Service. Azure Dynamics has employees based in North America and Europe. For more company information please visit our website at www.azuredynamics.com.

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

- 30 -

FOR MORE INFORMATION ON AZURE, CONTACT:

Steven Glaser, Vice-President, Corporate Affairs

(416) 367-0220 ext 105

Email: sglaser@azuredynamics.com