



News Release

Azure Dynamics US Awarded AM General Contract for Parallel Hybrid HMMWV with Mobile Export Power

Woburn, Mass. – February 7, 2005

[Azure Dynamics Corporation](#) (TSX – AZD & LSE - ADC) (“Azure Dynamics” or “Azure Dynamics US” or the “Company”) a leading developer of hybrid electric powertrains for commercial and military vehicles today announced that it has been awarded a contract by AM General LLC of South Bend, Indiana. The contract is to develop a parallel hybrid High Mobility Multipurpose Wheeled Vehicle (HMMWV) integrated with a third generation Auxiliary Power Distribution System (APDS). The purpose of the parallel hybrid HMMWV program is to compare a parallel hybrid with a series hybrid to determine which system architecture provides better fuel economy, silent mobility and overall performance in a military environment. The program will also measure the performance of a third generation APDS to export high-quality single and three-phase power from the hybrid HMMWV for field-based systems.

“Azure Dynamics US has been working with AM General for three years on the development of hybrid vehicle and APDS technology and we are pleased to be continuing this collaboration with the parallel hybrid HMMWV program,” said Mark Federle, Vice President of Sales and Marketing. “Integrating hybrid technology into tactical vehicles can reduce fuel consumption and enhance vehicle functionality and by adding APDS technology increased field power requirements can be met while simultaneously eliminating the need to transport additional power generation equipment,” said Federle.

Azure Dynamics US will deliver its parallel hybrid drive and APDS systems in mid 2005 and will support the integration of the systems by AM General into a modified M1113 HMMWV. Azure Dynamics US will be using its proprietary hybrid drive component hardware and controls software that has been developed over its 15-year history for both military and commercial applications. The third generation APDS development is a follow-on to previous developments that Azure Dynamics US has completed for AM General and is designed to further advance the technology by improving packaging and paralleling of units. Funding for development of the APDS is being provided by the Program Executive Officer for Combat Support and Combat Service Support (PEO CS&CSS). AM General is a world-leader in the design, engineering, production and parts support of military and special purpose vehicles.

[Azure Dynamics Corporation](#) and its group of companies is a world leader in the development and production of hybrid electric and electric commercial and military vehicles and systems. The group has delivered more than 4,000 electric and hybrid electric vehicles and has over 25 million miles of vehicle experience. Azure Dynamics operations are based in North America and Europe.

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 Corporation is a public company trading on the TSX (AZD) in Canada and on AIM (ADC) in the UK. For more company information please visit our website at www.azuredynamics.com.

[AM General](#) is a world leader in the design, engineering, production and parts support of military and special purpose vehicles. Its production facilities, located in Mishawaka, Indiana, are among the most innovative and technologically advanced in the industry. AM General has manufactured the Humvee for the military since 1985. More than 180,000 Humvees have been produced for the US military and more than 50 friendly international forces. The company also assembles the HUMMER H1 and H2 which are marketed by General Motors. More information can be found at AM General's website at www.amgeneral.com

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

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