



News Release

Azure Dynamics Announces Launch of Purolator's Toronto Hybrid Electric Fleet

Toronto, Ontario – May 30, 2005

[Azure Dynamics Corporation](#) ([TSX – AZD](#) & [LSE - ADC](#)) (“Azure Dynamics” or the “Company”) a leading developer of hybrid electric and electric powertrains for commercial and military vehicles, is pleased to announce the launch of the first ten Hybrid Electric Delivery Vehicles to Purolator Courier Ltd. (“Purolator”), Canada’s largest overnight courier company. The Hybrid Electric Delivery Vehicles (“HEVs”) were placed by Purolator into its Toronto curb-side delivery fleet. An additional 20 HEVs will be integrated into Purolator’s fleet in other major metropolitan areas in Canada.

At a press event hosted by Purolator on Friday May 27th, Robert Johnson, President and CEO of Purolator said, “We are proud to be the first Canadian courier company to start the transition to hybrid electric vehicles. With the significant reductions in fossil fuel emissions and fuel savings promised by HEVs, we believe that our customers, our employees, the environment and our company will all benefit. We know this first step will show the way and help alleviate some of the air pollution problems that can exist in a large city.” Mr. Johnson went on to say, “It’s truly a strategic decision for us that will have a long term impact. The piloting of this green technology takes us one step closer to realizing our vision to lead the industry to a future standard of zero vehicle emissions.”

Azure Dynamics CEO, Campbell Deacon, stated, “Friday May 27, 2005 can be considered a major milestone for Azure Dynamics. We are very proud to be working with a company like Purolator, whose vision of adopting new technology to help reduce urban emissions is coming to fruition.” Mr. Deacon added, “It is important to recognize the magnitude of what Purolator has started. Four more orders of the size of Purolator’s (up to 2,000 HEVs) would be the equivalent of removing all cars from Toronto streets for approximately a month or planting approximately 2 million trees annually.”

After analyzing the environmental impact of its operations and services, Purolator identified fleet fuel usage and vehicle air emissions as the best way to reduce its environmental footprint. The HEVs are expected to eliminate up to 50% of the greenhouse gasses currently emitted by their conventional gasoline/diesel delivery vehicles. Assuming in-service vehicle performance meets their expectations, Purolator intends to add up to 400 HEVs to its fleet annually.

HEVs are well suited to fleets operating in urban drive cycles which include numerous stops and starts, and engine idling. Energy is regenerated through braking and stored in the battery for driving. Purolator’s HEVs are equipped with a hybrid series configuration, which uses the internal combustion engine combined with a generator to supply electricity for the battery pack and electric motor. There is no mechanical connection between the internal combustion engine power unit and the wheels. All motive power is transferred electrically to one or more electric traction motors that drive the wheels.

About Purolator

As Canada's leading overnight courier company, Purolator Courier Ltd. of Mississauga, Ontario is committed to its customers. From automated solutions to 24 hour pick up and delivery, Purolator provides customers with the services and customized solutions required to get their shipments across town or around the world. Purolator operates Canada's largest dedicated air express fleet. Purolator has an extensive service network, with over 12,500 employees, including more than 4,000 couriers, over 140 operations locations, over 155 Shipping Centres, over 550 Authorized Shipping Agents and more than 420 drop boxes. Purolator processes over 5.5 million pieces (delivery and pick up) each week for destinations across Canada and around the world. Purolator has implemented a company-wide Quality Leadership Process that provides the necessary framework for continuous improvement and operational excellence, becoming the only Canadian courier company to achieve ISO 9001:2000 registration. Purolator is committed to helping alleviate hunger in Canada, and works closely with the Canadian Association of Food Banks to support local food banks. In 2004 Purolator generated more than 40,000 kilograms of food and over \$60,000 for food banks in Canada.

For more information please visit the company website at www.purolator.com.

Azure Dynamics Corporation is a world leader in the development and production of hybrid electric and electric commercial and military vehicles and systems. The group estimates it 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, the US Department of Defense, 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 www.azuredynamics.com.

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

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