



News Release

AZURE DYNAMICS TO DELIVER PARALLEL HYBRID FOR TRIAL AND TESTING WITH MAJOR U.S. FLEET

Toronto, Ontario –August 4, 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 that it has signed an agreement with a large North American based company to purchase and test an Azure parallel hybrid electric delivery vehicle.

Azure’s customer operates a fleet of mostly Class 3 delivery vehicles (in the gross vehicle weight range of 10 to 14,000 lbs). The vehicle will be used to demonstrate the fuel economy improvements, emissions reductions and maintenance cost savings that can be achieved using Azure’s patented technology. The Southwest Research Institute will be used to test and validate the fuel economy and emissions reductions.

Mark Federle, Azure’s Vice President, Sales said, “This program represents another step in our path to commercialising hybrid drive technology into major truck fleets in North America. Our customer is interested in testing and verifying the economic and environmental benefits of hybrid drive technology. We are confident we can deliver a product which will be both economic and environmentally sound and that more business will follow.”

[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, US Department of Defence, United States Postal Service, SEV Group Limited, Leyland Product Development and London Taxis International. 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.

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

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