# News Release

## AZURE DYNAMICS TO DELIVER FOUR HYBRID ELECTRIC SHUTTLE BUSES TO UPROSE IN BROOKLYN, NYC

Toronto, Ontario – October 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 the sale of four 20-passenger hybrid electric shuttle buses to UPROSE (the United Puerto Rican Organization of Sunset Park) made possible with a grant from the New York Power Authority (NYPA).

The hybrid electric "Citibus" employs the same chassis and hybrid electric drive system currently used in delivery vans supplied to other Azure customers. The hybrid chassis is fitted with a conventional shuttle bus body.

"The sale of these four buses demonstrates the continued successful launch of our Citibus product. We are pleased to be working with UPROSE in support of their mission to provide a clean environment for the residents of Sunset Park in Brooklyn. Our Citibus product improves fuel economy by as much as 40% and reduces emissions by up to 90% when compared to a conventional shuttle bus," said Mark Federle, Azure's Vice-President, Sales.

"Working with electric drive component developers to introduce emission reduction technologies is a major goal for the New York Power Authority," said NYPA President and Chief Executive Officer, Eugene W. Zeltmann. "We have successfully worked with Azure Dynamics on several electric drive projects and look forward to additional opportunities to improve air quality for all New Yorkers."

The purchase of the Citibuses was made with funding and support from NYPA. UPROSE will distribute the buses to the Al Noor School, the Chinese-American Planning Council, and the Sunset Park Senior Center. "Not only have these organizations been involved with the NYPA project from the beginning, but they also represent constituencies that range in age and ethnicity to reflect the diversity of Sunset Park," stated Elizabeth Yeampierre, UPROSE's Executive Director. "Through projects like the purchase of hybrid shuttle buses, UPROSE hopes to raise the awareness of pollution reduction efforts."

NYPA is the largest state-owned electric utility in the United States and operates a diversified electric transportation program responsible for placing 750 electric and hybrid electric drive vehicles in service with its public sector and economic development customers.

Founded in 1964, UPROSE is Brooklyn's oldest Latino community-based organization. As an intergenerational community-based organization dedicated to the development of southwest Brooklyn and the empowerment of its residents primarily through broad and converging environmental, sustainable development and youth justice campaigns. UPROSE aims to ensure and heighten community awareness and involvement, develop participatory community planning practices, and promote sustainable development with justice and governmental accountability.

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 Defense, 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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