



Azure Dynamics Statement on Share Price

Toronto, Ontario - July 6, 2006 - Azure Dynamics Corporation (TSX: AZD & LSE: ADC) ("Azure" or the "Company") at the request of market regulation services on behalf of the Toronto Stock Exchange, is issuing the following statement on the increase in volume of share trading and decline of its share price.

There are no undisclosed material changes in Azure Dynamics' operations, finances, management or strategies to have caused this significant short-term share price decline.

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's operations are based in North America and Europe.

Azure is currently working internationally with various partners and customers including Purolator Courier Ltd., Canada Post, United States Postal Service, Smith Electric Vehicles, Engineered Support Systems, Inc. and AM General LLC. Azure Dynamics Corporation is a public company trading on the TSX (AZD) in Canada and on the 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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