



## News Release

### **AZURE DYNAMICS RECEIVES \$2.8 MILLION COMPONENTS ORDER FROM DRS SUSTAINMENT SYSTEMS**

**Toronto, ON – July 19, 2006** – Azure Dynamics Corporation, (TSX: AZD & LSE: ADC) (“Azure” or the “Company”) a leading developer of hybrid electric and electric powertrains for commercial and military vehicles, today announced that it has received a CDN\$2.8 million components purchase order from DRS Sustainment Systems, Inc. (formerly DRS Engineered Air Systems Inc.), an operating unit of DRS Technologies, Inc. (NYSE: DRS).

Under terms of the purchase order, Azure will deliver advanced power electronics, such as inverters, converters and under-the-hood export power components to DRS to be integrated into DRS’s Chemical Biological Protective Shelter (“CBPS-M2”). The total contract, including previous awards, is valued in excess of CDN\$19.0 million for more than 220 systems.

“Azure Dynamics has established itself in the forefront of suppliers of vehicle-based hybrid and export power systems to the military, and we are continuing to receive interest on several fronts for this application of our technology,” said Mark Federle, Azure’s Senior Vice President, Sales.

The CBPS-M2 was jointly developed by Azure and DRS for military and homeland security applications and provides a clean medical shelter environment in chemically or biologically contaminated areas. The CBPS-M2 is deployed on a HMMWV (High Mobility Multipurpose Wheeled Vehicle) and replaces the existing hydraulic-based system with state-of-the-art electronic-based controls for better efficiency, reliability and maintainability. The product demonstrates the flexibility and interchangeability of Azure’s components in hybrid and electric-based vehicle architecture.

#### **About DRS Sustainment Systems**

Located in St. Louis, Missouri, DRS Sustainment Systems is part of the DRS Sustainment Systems & Services Group, and designs and engineers various types of equipment and systems that support the U.S. military. The company is a leader in the design, development and production of complex military hardware systems and has been providing military ground support equipment to all branches of the U.S. military since World War II. DRS Technologies, headquartered in Parsippany, New Jersey, U.S.A., is a leading supplier of integrated products, services and support to military forces, intelligence agencies and prime contractors worldwide. The company employs approximately 10,000 people. For more information on DRS, please visit the company’s web site at [www.drs.com](http://www.drs.com). DRS Technologies is at Farnborough International 2006 in the United Kingdom this week through July 23rd in Chalet C27-28.

#### **About Azure Dynamics Corporation**

[Azure Dynamics Corporation](http://www.azure-dynamics.com) is a world leader in the development and production of hybrid electric and electric commercial and military vehicles and systems. The Company estimates it has more than 25 million miles of vehicle experience. Azure Dynamics’ 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, Workhorse Custom Chassis, DRS Sustainment Systems, Inc. and AM General LLC. Azure Dynamics Corporation is a public company trading on the TSX ([TSX: AZD](#)) in Canada and on the AIM ([LSE: ADC](#)) in the UK.

For more Company information please visit [www.azuredynamics.com](http://www.azuredynamics.com).

*The TSX and LSE Exchanges do not accept responsibility for the adequacy or accuracy of this release.*

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