



## News Release

# PUROLATOR INCREASES PURCHASE ORDER FOR AZURE HYBRID-ELECTRIC VEHICLES

**Toronto, Ontario – August 14, 2007** – Azure Dynamics Corporation (TSX: AZD & LSE: ADC) (“Azure” or the “Company”), a leading developer of hybrid-electric and electric powertrains for commercial fleet vehicles, today announced that Purolator Courier Ltd. (“Purolator”), Canada’s largest courier company, has altered and increased its existing purchase order for Azure hybrid delivery vans.

“Purolator is leading the way to less fuel consumption and substantial emissions reductions through the adoption of cleaner hybrid-electric technologies for its fleet vehicles. We look forward to continuing to work closely with Purolator to support its commitment to cleaner, more cost-effective fleet vehicles,” said Scott Harrison, CEO of Azure. “We now have two major delivery fleet operators as lead customers for our new parallel hybrid-electric delivery van on the Ford E-450 platform. Looking ahead, our goal is to secure two additional major delivery fleet operators as lead customers by year end to further strengthen our order book and increase our production volumes with our key supply partners.”

Purolator’s amended purchase order was placed shortly after the August 8, 2007 funding announcement by the Ontario Government. Ontario is investing \$15 million over four years in a pilot project to encourage businesses to convert to more environmentally-friendly technologies, such as hybrid power. The project will help make medium-duty hybrid trucks more affordable for commercial fleet operators.

“Since introducing Azure’s hybrid-electric vehicles (“HEV”) to our fleet of curb-side delivery vehicles in 2005, we have logged more than 333,000 kilometres, saving almost 60,000 litres of fuel and preventing the emission of over 150 tonnes of greenhouse gas emissions,” said Robert Johnson, President and CEO of Purolator. “We look forward to advancing our deployment of HEVs using Azure’s new parallel hybrid-electric Ford E-450 as we progress in achieving our vision of leading the industry toward a future standard of zero emission vehicles.”

Under terms of the initial purchase order (dated September 15, 2005), Azure supplied 19 HEVs to Purolator. Under terms of an amendment to the initial purchase order (dated August 3, 2006), Azure was to supply an additional 115 HEVs to Purolator. To date, 30 of these additional HEVs have been delivered to Purolator and are currently in service. Under terms of the amended purchase order (dated August 14, 2007), Azure will supply the remaining 85 HEVs to Purolator on its new parallel hybrid-electric Ford E-450 platform. Further, Purolator has increased the order to include an additional 20 HEVs for a total of 105 HEVs on the Ford E-450 platform. Azure expects to deliver all 105 Ford E-450 HEVs in the third and fourth quarters of 2008.

## **About Purolator**

As Canada's largest 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 has an extensive service network, with over 12,500 employees, including more than 3,500 couriers, 123 operations locations, over 150 Shipping Centres, over 570 Authorized Shipping Agents and more than 400 drop boxes. Purolator processes over 5.5 million pieces (delivery and pick up) each week for destinations across Canada and around the world. Purolator is committed to helping alleviate hunger in Canada, and works closely with the Canadian Association of Food Banks to support local communities. For more information please visit the company website at [www.purolator.com](http://www.purolator.com).

## **About Azure**

Azure Dynamics Corporation (TSX: AZD) (LSE: ADC) is a world leader in the development and production of hybrid electric and electric components and powertrain systems for commercial vehicles. Azure is strategically targeting the commercial delivery vehicle and shuttle bus markets and is currently working internationally with various partners and customers. The Company is committed to providing customers and partners with innovative, cost-efficient and environmentally-friendly energy management solutions. For more information please visit [www.azuredynamics.com](http://www.azuredynamics.com).

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## **Forward-looking Statements**

*This press release contains forward-looking statements. More particularly, this press release contains statements concerning Azure's business development strategy, projected commercial revenues and product deliveries. The forward-looking statements are based on certain key expectations and assumptions made by Azure, including expectations and assumptions concerning achievement of current timetables for development programs, target market acceptance of Azure's products, current and new product performance, availability and cost of labour and expertise, and evolving markets for power for transportation vehicles. Although Azure believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Azure can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with Azure's early stage of development, lack of product revenues and history of losses, requirements for additional financing, uncertainty as to commercial viability, uncertainty as to product development and commercialization milestones being met, uncertainty as to the market for Azure's products and unproven acceptance of Azure's technology, competition for capital, product market and personnel, uncertainty as to target markets, dependence upon third parties, changes in environmental laws or policies, uncertainty as to patent and proprietary rights, availability of management and key personnel, and acquisition integration risk. These risks are set out in more detail in Azure's annual information form which can be accessed at [www.sedar.com](http://www.sedar.com).*

*The forward-looking statements contained in this press release are made as of the date hereof and Azure undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

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