



News Release

AZURE DYNAMICS ANNOUNCES CLOSING OF PREVIOUSLY ANNOUNCED EQUITY OFFERING

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Oak Park, Michigan – October 23, 2007 – Azure Dynamics Corporation (TSX: AZD & LSE: ADC) (“Azure” or the “Company”) a leading developer of hybrid electric and electric powertrains for commercial vehicles announced today that it has closed its offering of 81,100,000 common shares of the Company at a price of CDN\$0.37 per common share for aggregate gross proceeds of CDN\$30,007,000 (the “Offering”). Paradigm Capital Inc. and Raymond James Ltd. acted as co-lead agents in connection with the Offering. The syndicate also included Clarus Securities Inc. and Desjardins Securities Inc.

The Company plans to use the proceeds of the Offering to fund ongoing and future engineering and product development programs and for general corporate purposes.

About Azure Dynamics

[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.

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

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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