



## **AZURE DYNAMICS SIGNS FIRST FULL SALES & SERVICE AGREEMENT WITH PALMETTO TRUCK CENTER**

**Oak Park, Michigan – June 30, 2008** – Azure Dynamics Corporation (TSX: AZD, LSE: ADC & OTCQX: AZDDF) – (“Azure” or the “Company”), a leading developer of hybrid electric and electric powertrains for commercial vehicles, announced today it has signed its first dealer, Palmetto Truck Center, with a Sales & Service agreement. The agreement allows Palmetto to serve growing market demand for Azure’s new fuel efficient, low maintenance and environmentally friendly Balance Hybrid Electric E450 commercial vehicle.

The Balance Hybrid Electric is integrated on Ford’s E450 Cutaway and Strip Chassis drive system managing the conventional 5.4 litre Triton gasoline engine and the 5-speed automatic TorqShift transmission. The hybrid powertrain features electric-launch assist, engine-off at idle and regenerative braking improving the vehicle’s fuel economy by up to 40 percent, reducing maintenance cost by up to 30 percent and minimizing greenhouse gas emissions.

“We sought a dealership partner that has proven excellence in the commercial truck market,” said Jay Sandler, Vice President of Sales for Azure Dynamics. “Palmetto immediately understood the significant value proposition of the Azure Balance Hybrid Electric vehicle. Together, we are eager to take our product to market in South Florida and beyond.”

Azure Dynamics plans to sign approximately 50 dealers in the next year in major metro markets in the United States and Canada. The Company has already identified 33 initial target markets. Prior to the Palmetto relationship, Azure had been selling direct to market. However, expected demand and recently announced orders from major fleet owners like AT&T and FedEx have encouraged the Company to broaden its distribution network by partnering with highly-regarded commercial vehicle specialists.

For more information about Azure Dynamics and its family of hybrid electric and electric commercial vehicles, please visit [www.azuredynamics.com](http://www.azuredynamics.com).

### **About Azure Dynamics**

[Azure Dynamics Corporation](http://www.azuredynamics.com) (TSX: AZD) (LSE: ADC) (OTCQX: AZDDF) 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).

### **About Palmetto Truck Center**

Palmetto Truck Center, Inc. is a second generation family-owned and operated truck dealership. Serving the South Florida community since 1966, Palmetto Truck Center is the largest Ford wholesale parts distributor in Miami-Dade and Broward Counties servicing businesses throughout the area and exporting to countries around the world. While the dealership specializes in all size commercial truck sales, it has a sizeable retail business featuring sport utility vehicles, vans and light trucks.

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

-30-

### **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.*

**FOR MORE INFORMATION ON AZURE, CONTACT:**

Ryan Carr, Chief Financial Officer (248) 298-2403  
Email: [rcarr@azuredynamics.com](mailto:rcarr@azuredynamics.com)

Pat Liebler, Liebler!MacDonald, (313) 832-4376  
Email: [pat@lieblergroup.com](mailto:pat@lieblergroup.com)

David Poutney, Stuart Skinner, Richard Kenny, Tel: +44 207 260 1000,  
Numis Securities Limited, Nominated Adviser to the Company