



Azure Dynamics to Supply 16 Balance™ Hybrid Electric Buses to CALSTART's Hybrid Truck Users Forum

Oak Park, Michigan – July 9, 2009 – Azure Dynamics Corporation (TSX: AZD) – (“Azure”) or (the “Company”), a leading developer of state-of-the-art green technologies that address environmental and cost issues for the commercial transportation industry, today announced that it has been awarded a 16 vehicle contract from the Hybrid Truck Users Forum's (HTUF) Small Hybrid Bus Working Group. HTUF's Small Hybrid Bus Working group is a joint program between CALSTART and the U.S. Army TARDEC's National Automotive Center (NAC) and is supported by the Federal Transit Administration. HTUF works to encourage further commercialization of hybrid drivelines and benefits from the participation of over 80 fleets representing roughly one million trucks and buses. Azure Dynamics partnered with bus body builder StarTrans Bus, a Supreme Indiana Operations Inc. company, on the bid.

"Azure Dynamics is pleased to have been selected as the hybrid drive train supplier for the HTUF Small Hybrid Bus Working Group purchase," said Jay Sandler, Vice President of Sales for Azure Dynamics. "The consolidated vehicle bid incorporated a significant number of vehicle specifications and performance attributes for a wide range of end user customers. The fact that Azure Dynamics Balance™ Hybrid technology coupled with the StarTrans body was able to meet these diverse considerations and earn the bid serves to validate our product's ability to achieve performance, cost and environmental benchmarks."

The Small Hybrid Bus Working Group includes the Missouri Department of Transportation which served as the lead agency for the procurement; City of Aspen, Colorado; City of White Plains, New York; Harvard University, Boston, Massachusetts; Marin County Transit, San Rafael, California; Sacramento Regional Transit, Sacramento, California; Salt Lake City, Utah; Tahoe Transportation District, Stateline, Nevada; and TriMet Transportation District, Portland, Oregon.

The 16 vehicles included in the purchase are 23-foot, gasoline-powered hybrid electric cutaway buses using Azure's Balance™ Hybrid Electric powertrain on the Ford E450 chassis. The StarTrans Senator Bus body has a passenger capacity of 14 riders, including two wheelchair positions. The buses meet the FTA "Altoona" durability testing protocols for seven years / 200,000 miles service life and are American with Disability Act (ADA) compliant.

Azure Dynamics has had previous successes with StarTrans Bus, including the development and manufacture of Azure's CitiBus, the HD Senator, a Hybrid Electric shuttle bus.

"We are very excited to work with CALSTART, Azure Dynamics and the impressive roster of end user customers who will be procuring buses through this contract," said Sam Craig, Vice President of Sales for StarTrans. "We look forward to putting cleaner, efficient buses on the road."

Some of the vehicle specifications and performance attributes that helped Azure's Balance Hybrid Electric earn the Small Hybrid Bus Working Group business include: engine-off at idle and at below 20 miles per hour; electronic support of key ancillary functions like air conditioning, power steering and braking; substantial fuel economy improvement; a reduction of carbon emissions by up to 30%; a reduction in maintenance costs versus conventionally equipped vehicles. The buses selected are ADA compliant and have completed rigorous durability testing at the federal facility in Altoona, Pa.

"This is a great opportunity for Azure to work with a team of organizations that are central in advancing alternative technologies in the United States and beyond," said Scott Harrison, Azure Dynamics Chief Executive Officer. "Between CALSTART, HTUF, U.S. Army TARDEC's National Automotive Center and the long list of customers, all of whom are conscientious fleet managers, we are setting the stage for additional collaborative efforts. We look forward to helping these new customers achieve considerable cost and environmental benefits."

For more information about Azure Dynamics and its products, please visit www.azuredynamics.com.

About Azure Dynamics

[Azure Dynamics Corporation \(TSX: AZD\)](http://www.azuredynamics.com) 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 Exchange does 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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