



Azure Dynamics Selects Johnson Controls-Saft for Transit Connect Battery Electric Vehicle

Oak Park, Michigan – December 1, 2009 – Azure Dynamics Corporation (TSX: AZD), a leading developer of hybrid electric and electric powertrains for the commercial vehicle industry, today announced that Johnson Controls-Saft has been chosen as battery supplier for Azure's Force Drive™ integration on the Ford Transit Connect Battery Electric Vehicle (BEV). Johnson Controls-Saft will supply its advanced lithium-ion technology for the battery electric Transit Connect van for North American distribution beginning in late 2010.

“Commercial fleets endure the harshest drive cycles imaginable and are under constant cost and performance pressure,” said Curt Huston, Azure Dynamics Chief Operating Officer. “The Johnson Controls-Saft technology mated to our established Force Drive™ is a robust system fully capable of meeting on-the-road challenges while reducing operating costs and producing zero tailpipe emissions.”

The Transit Connect BEV is the first of four electric vehicles to be built on Ford's global vehicle platform. Utilizing Force Drive™ with lithium-ion battery packs, the Transit Connect BEV has a targeted range of 80 miles minimum on a full charge. Force Drive™ components have over 25 million miles of on-the-road experience.

“Johnson Controls-Saft is committed to the commercialization of hybrid and electric vehicles,” said Ray Shemanski, who leads the Johnson Controls-Saft joint venture and is Vice President and General Manager of Hybrid Systems for Johnson Controls. “We are proud to be chosen for the BEV and we look forward to strengthening our partnership with both Azure and Ford Motor Company to advance these leading-edge technologies. This partnership is underscored by our investment of more than \$600 million in manufacturing and infrastructure development.”

As a result of increased attention from the government and the private sector, the electric and hybrid electric commercial vehicle market sector continues to garner both headlines and market share. Increasingly, fleet operators are seeking smaller, more efficient vehicles that lower operating costs yet are capable of achieving demanding performance characteristics. To meet the growing demand, Azure's Balance™ Hybrid Electric delivery and shuttle bus product, which will also utilize a Johnson Controls-Saft battery pack, has received enthusiastic acceptance from companies like FedEx Express, Purolator Couriers, AT&T and others. The new Transit Connect BEV is an important evolution of the Azure product line and its relationship with Ford.

The Johnson Controls-Saft supplied lithium-ion batteries offer a light, powerful design with a longer life than most current battery technologies. Both Azure and Ford have existing relationships with Johnson Controls-Saft bringing further synergies to the project. The Transit Connect BEV will use the same battery technology that is currently deployed in the Ford Escape plug-in demonstration fleet.

Unlike private vehicle owners who can simply stop driving when fuel prices soar, commercial vehicle fleets are a business's lifeline and need to keep rolling regardless of external pressures. The Transit Connect BEV would eliminate gas costs and enable fleet owners to more accurately forecast the cost of doing business. Commercial fleet adopters of the Transit Connect BEV will help reduce the country's dependence on foreign oil while also providing a valuable service for the environment and on-going sustainability.

With a unique combination of car-like driving dynamics, cargo capacity, accessibility and low purchase and operating costs, the Transit Connect is already a proven global success. It was also the perfect candidate to lead Ford's electrification effort.

"Delivery companies and utility fleets are expected to pace the demand for the Force Drive™ equipped Transit Connect," said Huston. "The size, flexibility and performance characteristics of the Transit Connect have already made it a hit on the U.S. market. The battery electric option will only add to its popularity."

The Johnson Controls-Saft battery systems, including electronics, electrical and mechanical components will be assembled at the company's facility in Holland, MI. Azure Dynamics has not announced the manufacturing location for the Transit Connect BEV.

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

About Azure Dynamics

Azure Dynamics Corporation (TSX: AZD) 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 labor 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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