



Azure Dynamics Announces Amendments to Shareholder Rights Plan

Oak Park, MI - June 5, 2009 - Azure Dynamics Corporation (TSX: AZD) - ("Azure") or (the "Company"), a leading developer of innovative hybrid green technologies that address environmental and cost issues for operators of commercial vehicle fleets, today announced that, effective immediately but subject to acceptance by the Toronto Stock Exchange, it has elected to make certain minor amendments to the Company's shareholder rights plan (the "Rights Plan") which is to be placed before shareholders for their approval at the Company's upcoming annual and special meeting of shareholders to be held on June 9, 2009 (the "Meeting").

The amendments to the original Rights Plan, as described in the Company's Management Proxy Circular dated May 5, 2009 and filed on SEDAR at www.sedar.com, can be summarized as follows:

1. The definition of "Associate" contained in the Rights Plan has been revised so as to no longer include any trust or estate in which a specified Person (as defined in the Rights Plan) has a substantial beneficial interest or as to which such specified Person serves as a trustee or in a similar capacity.
2. Any exchange, pursuant to Section 3.3(a) of the Rights Plan, of Rights (as defined in the Rights Plan) which are outstanding and not void under the Rights Plan following the occurrence of a Flip-in Event (as defined in the Rights Plan) for debt, equity or other securities or assets (or a combination thereof) will, under the amended Rights Plan, no longer be at the sole option of the board of directors of the Company, but will instead require the prior consent of the holders of Rights.

The amendments to the Rights Plan described above have been made at the request of an institutional shareholder who holds a significant number of the Company's shares and are intended to make the Rights Plan more consistent with what are considered by institutional investors to be best practices in shareholder rights plans. A copy of the amended Rights Plan will be filed on SEDAR at www.sedar.com today.

The Rights Plan, as amended, is effective immediately, but it must be ratified by shareholders of Azure within six months. Shareholders will be asked to ratify and approve the Rights Plan, as amended, at the Meeting. If ratified, the Rights Plan, as amended, will remain in effect until the close of business on the date of termination of the annual meeting of shareholders in 2012, subject to earlier termination or expiration of the Rights Plan in accordance with its terms. The

Rights Plan, as amended, must be ratified by a majority of the votes cast at the Meeting by independent shareholders. If the Rights Plan, as amended, is not ratified at the Meeting, all rights issued pursuant to the Rights Plan and the Rights Plan will terminate and be null and void and of no further force and effect.

For more information about Azure Dynamics and its family of hybrid electric and electric commercial vehicles, 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 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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