



Azure Dynamics Announces Re-Order from Metro Mobility

- Azure Dynamics received an order from Metro Mobility for nine additional Balance™ Hybrid Electric shuttle buses to join the 15 Azure buses already at work in its fleet
- Metro Mobility accessed funds from two federal programs to help cover the cost of the fuel-efficient, environmental friendly technology
- Metro Mobility cited strong performance of the initial Azure units as the primary reason for the re-order
- Metro Mobility is a public transportation service for people with disabilities. It provides service in the Minneapolis-St. Paul metro area and is operated by the Metropolitan Council.

Oak Park, Michigan – May 10, 2010 – Azure Dynamics Corporation (TSX: AZD) (OTC: AZDDF) – (“Azure”) or (the “Company”), continued its mission of ‘Driving a World of Difference’ by supplying nine additional Balance™ Hybrid Electric shuttle buses to Metro Mobility in Minnesota. Metro Mobility will now operate a fleet of 24 Azure Balance™ Hybrid Electric buses which will lessen its need for fuel while helping to improve air quality in the region. The buses will be delivered in the third quarter of 2010 and used in Metro Mobility’s para-transit service.

The original purchase of Azure’s Balance™ Hybrid Electric product in 2009 resulted from the Twin Cities Metropolitan Council’s goal to increase usage of green technologies in the region. As the organization became familiar with the Azure product and experienced its benefits first-hand, it made the decision to acquire the additional units and expand its green fleet.

In the spring of 2009, the Metropolitan Council, which operates Metro Mobility, was awarded \$70.4 million by the Federal Transit Administration (FTA) for metro-area transit projects, including the greening of its fleet. With a portion of this funding, Metro Mobility purchased 15 vehicles utilizing the Azure Balance System.

In the fall of 2009, Metro Mobility accessed \$1.1 million in federal funds to purchase additional vehicles that would reduce greenhouse gas emissions. This second grant, via the FTA’s 2009 Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) program, was awarded and applied toward the Azure system.

“This is an archetypal sale for Azure in 2010,” said Jay Sandler, Azure’s Vice President of Sales. “Our technology, supported by a reputable Ford dealership and premier body vendor, was awarded a state contract in Minnesota. The initial sales to Metro Mobility gave the organization the opportunity to experience our product in their fleet operation. That experience validated our value proposition and, ultimately resulted in this substantial re-order.

“Meanwhile, the management at Metro Mobility has done an excellent job accessing available incentive funds to offset acquisition costs, so Metro Mobility winds up with state-of-the-art efficient and sustainable technology at highly competitive costs,” Sandler concluded.

“In the current economic environment, sitting still simply isn’t an option,” said Scott Gretsche, Commercial Vehicle Sales at Høglund Bus. “We’ve been aggressive in adopting alternative energy technology like that provided by Azure Dynamics. We’re also active in helping customers navigate the various funding opportunities available to them. The end result, increased adoption of green technology, will be a benefit to all Minnesota residents and society at large.”

The Azure Balance™ Hybrid Electric system specified by Metro Mobility has unique attributes like engine-off at idle and at below 20 miles per hour, while electronically supporting key ancillary functions like air conditioning, power steering and braking. The drive train, with a Ford 5.4L engine, can improve fuel economy by up to 40%, while reducing carbon emissions by up to 30% in city conditions. The hybrid drive train also offers a significant reduction in maintenance costs versus conventionally equipped competitors.

The Metro Mobility buses are equipped with a Turtle Top shuttle bus body that is configured with 8 ambulatory seats and 3 wheelchair positions.

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About Azure Dynamics

[Azure Dynamics Corporation](#) (TSX: AZD)(OTC: 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.

About Høglund Bus and Truck

Over the past 60 years, with a commitment to customer satisfaction, Høglund Bus and Truck has evolved as a leader in the transportation industry. Their two locations, Monticello, MN. and Marshalltown, IA, carry extensive inventories of new and used school buses, commercial buses, medium duty trucks, and related parts and services. Additional information is available site at www.hoglundbusandtruck.com.

About the Metropolitan Council

The Metropolitan Council is the regional planning organization for the seven-county Twin Cities area. The Council runs the regional bus and rail transit system, collects and treats wastewater, coordinates regional water resources, plans regional parks and administers funds that provide housing opportunities for low- and moderate-income individuals and families. The Council board is appointed by and serves at the pleasure of the governor.

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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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