



## **Azure Dynamics Selects AM General for Ford Transit Connect Electric Upfitting**

*Innovative product to be built at AM General's Livonia, MI facility*

- Azure Dynamics and Ford Motor Company are collaborating to create an electric version of the 2010 North American Truck of the Year, the Ford Transit Connect Electric
- AM General was selected to upfit the base Ford Transit Connect with the Azure Force Drive™ electric drive train components
- Southeast Michigan further establishes itself as a center for alternative energy vehicle development

**Oak Park, Michigan – May 18, 2010** – Azure Dynamics Corporation (TSX: AZD)(OTC:AZDDF) the fast growing hybrid electric and electric power train innovator for the commercial truck market, today announced that AM General LLC will collaborate in producing the Transit Connect Electric, the all-electric version of Ford Motor Company's award winning Transit Connect.

In this role, AM General, a long-established contract vehicle manufacturer and services provider, will be responsible for final assembly of the Transit Connect Electric for the North American market from its Engineering and Product Development Center in Livonia, Michigan. The Michigan Economic Development Corporation (MEDC) provided Azure Dynamics with incentive funding to encourage the selection of a Michigan based partner. Further MEDC High Technology Mega Tax credits may be available based on specific job creation criteria.

“Our hierarchy for facility selection criteria began by identifying a partner with the proven technical expertise and high quality standards that both Azure and Ford customers expect,” said Curt Huston, Azure Dynamics Chief Operating Officer. “Secondly, we wanted a facility in Southeast Michigan that capitalized on the area’s highly skilled automotive workforce and available manufacturing capacity. AM General fit the bill and we are delighted to add their capabilities and know-how to this revolutionary vehicle program.”

AM General will receive Transit Connect “gliders” (powerless vehicles without a conventional powertrain or exhaust system) from the Ford manufacturing location in Turkey, and Force Drive™ electric components from Azure and supplier facilities in North America. The current production plan includes an initial quantity of vehicles to be built in late 2010 with full production scheduled to begin in April 2011.

“AM General is excited to be part of this new ‘green’ solution for the commercial truck market by leveraging our extensive vehicle manufacturing capabilities and our experience in alternative powertrain integration,” said Rick Smith, President AM General Commercial Business. “We are also pleased to be part of a new production program that will contribute to the industry’s important advances in alternative energy vehicles.”

Transit Connect Electric is powered by a lithium-ion battery pack and is among the first fully electric vehicles available to the commercial market. Battery power is provided to the drive motor through the electric powertrain’s motor controller. Throttle input from the driver converts DC power supplied by the battery into three precisely timed signals used to drive the motor. The Transit Connect Electric’s appearance will be identical to the standard Transit Connect vehicle other than inclusion of Azure’s Force Drive™ badge on the rear of the vehicle and information provided on the instrument cluster.

With a unique combination of car-like driving dynamics, cargo capacity, accessibility and low operation costs, Transit Connect Electric is an ideal choice for light-duty commercial vehicle users who travel predictable, short-range routes with frequent stop-and-go driving in urban and suburban environments. Transit Connect Electric converts AC power to DC power to charge the battery in six to eight hours at 240V and has a range of up to 80 miles on a single charge.

With zero tail pipe emissions, Transit Connect Electric also will appeal to customers seeking sustainable mobility solutions and to municipalities seeking to reduce vehicle emissions to the environment.

For more information on how Azure Dynamics products are Driving a World of Difference, please visit [www.azuredynamics.com](http://www.azuredynamics.com).

### **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](http://www.azuredynamics.com).

### **About AM General LLC**

AM General is a full service, contract vehicle manufacturer that designs, builds and supports the world's leading all-purpose vehicles for military, commercial and consumer customers. As manufacturer of the famous HMMWV (HUMVEE<sup>®</sup>) and HUMMER<sup>®</sup> H1 and H2 vehicles, AM General has more than five decades of experience in meeting the changing needs of the defense and automotive industries through 2,500 employees at major facilities in Indiana, Michigan, and Ohio plus a strong supplier base that stretches across 43 states. More information can be found at [www.amgeneral.com](http://www.amgeneral.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](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:**

Curt Huston, Azure Chief Operating Office, (248) 298-2403 x1203  
Email: [jsandler@azuredynamics.com](mailto:jsandler@azuredynamics.com)

Patrick Liebler, Liebler Group, (248) 229-4418  
Email: [pat@lieblergroup.com](mailto:pat@lieblergroup.com)

**FOR MORE INFORMATION ON AM GENERAL, CONTACT:**

Celeste Ross, PR Director, AM General LLC (574) 284-2930  
Email: [celeste.ross@amgeneral.com](mailto:celeste.ross@amgeneral.com)