



## **Azure Dynamics and Collins Bus Sell First Hybrid Electric Type A School Bus**

**Oak Park, Michigan – August 18, 2009** – The NAPA Valley Unified School District (NAPA) in California has purchased the nation’s first NEXBUS, the only hybrid electric Type A school bus available in North America. NEXBUS is produced by Collins Bus Corporation and features Azure Dynamics Balance™ Hybrid Electric drive train which is considered an ideal application for the frequent starts and stops, significant idle time and clean air needs of school service.

Azure Dynamics Corporation (TSX: AZD) – (“Azure”) or (the “Company”) is a leading developer of state-of-the-art green technologies that address environmental and cost issues for the commercial transportation industry.

“Our distribution strategy has been to partner with the best-in-class vehicle providers,” said Scott Harrison, Azure Dynamics CEO. “Collins is the clear leader in the Type A School Bus market and has over 70 dealers throughout the United States and Canada. Collins is aggressively supporting the NEXBUS with our Balance™ Hybrid Electric technology which is a clear indication that the product fulfills the customer’s need and is poised to extend Azure’s momentum into the school bus market.”

NAPA Valley Unified School District was a likely recipient of the first bus based on its long history of advanced technology and alternative fuel / energy adoption. The district has won numerous environmental awards including the first ever *School Transportation News* ‘Green Fleet Award’ in 2008.

“We operate a number of Type A buses. Until now, those buses have all been diesel because there just weren’t alternative energy options in the class,” said Ralph Knight, NAPA’s Director of Transportation. “We’ve only recently taken possession of the NEXBUS, but we’re already impressed. We like the availability of variable seating to accommodate up to three wheelchair positions and we’re eager to reap the operational cost and environmental benefits.”

NAPA plans to put the NEXBUS in use for special needs transportation where it will have a busy schedule and the district can realize the full benefits of the technology. “NAPA has previous experience with Azure technology when we used Solectria’s [Azure’s predecessor company] full electric drive technology on a larger bus. That bus ran for three and a half years without a single down day, so we’re hoping for similar success this time around,” said Knight.

Collins has aggressively promoted the NEXBUS including at the recent *School Transportation News* expo in Reno, Nevada where two of the vehicles were shown with one bus offering ride and drive experiences to dozens of interested school fleet managers. Additionally, the NEXBUS is the subject of a Collins advertising campaign entitled, “Yellow Goes Green”.

Kent Tyler, President of Collins Bus Corporation said, "If the response we received at the STN show in Reno is any indication, then we have a real winner on our hands with the NEXBUS. Azure's Balance™ Hybrid Electric technology makes all the sense in the world for Type A buses and we're excited to bring this first offering to the school market."

With over 40 years experience, Collins is the premier manufacturer of small school buses in North America. The partnership with Azure allows Collins to offer the proprietary Balance™ Hybrid Electric drivetrain as an option on school buses built on Ford's E-450 chassis. School buses typically have frequent starts and stops and significant idle time picking up and dropping off children and while waiting in the queue. The Azure technology will help to significantly reduce fuel usage and emissions under these conditions.

Collins sells buses under both the Collins and Mid Bus brands in the United States and as Corbeil in Canada. The company has a developed network of distributors that serve its key markets and customers. The Azure technology has undergone significant durability testing to be eligible for school bus programs.

The bus was delivered via A-Z Bus Sales, Inc in Colton, Ca. NAPA received funding support from Prop 1B and from the Bay Area Air Quality Management District.

For more information on Azure Dynamics and its Balance™ Hybrid Electric product, please visit [www.azuredynamics.com](http://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](http://www.azuredynamics.com).

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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](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.*

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