



Ford and Azure Dynamics Team Up To Deliver Battery Electric Commercial Van In 2010

- Ford Motor Company, collaborating with Azure Dynamics, will introduce battery electric Transit Connect commercial van to market in 2010
- The Transit Connect BEV is the first production vehicle from accelerated electric vehicle strategy, which includes Ford Focus BEV passenger car in 2011, and a next-generation hybrid and plug-in hybrid in 2012
- Azure Dynamics will integrate its proprietary Force Drive(TM) battery electric drive train in the Transit Connect BEV
- Johnson Controls-Saft selected as battery supplier for Transit Connect BEV

Oak Park, Michigan - October 30, 2009 - Ford Motor Company announced today that Azure Dynamics Corporation (TSX: AZD) has joined in a collaborative effort to deliver a pure battery electric Ford Transit Connect van for the United States and Canadian markets in 2010. Azure will integrate its Force Drive(TM) battery electric drive train in the Transit Connect van for commercial fleet and retail use.

The collaboration with Azure Dynamics for the Transit Connect BEV will build on the existing business relationship between Ford and Azure as well as their shared experience with battery supplier, Johnson Controls-Saft.

"We recognize an increasing interest in electrified vehicles and have an aggressive strategy to bring these vehicles to the marketplace," said Nancy Gioia, Ford director of Global Electrification. "Our work with Azure to create a pure electric battery Transit Connect vehicle will allow us to offer our commercial customers an additional option for environmentally friendly transportation."

The Transit Connect BEV will be built on Ford's global commercial vehicle platform as part of the company's One Ford global product vision. It is the first of four electrified vehicles from Ford that will become available over the next three years in the U.S. and Canada including:

- Battery electric Transit Connect van in 2010
- Battery electric Ford Focus passenger car in 2011
- Next generation hybrid vehicle in 2012
- Plug-In hybrid vehicle in 2012

Collaboration builds on existing business relationship

Azure Dynamics develops hybrid electric and electric drive technology for shuttle buses and commercial trucks, such as the Balance(TM) Hybrid Electric, which is built on the Ford E-450 cutaway and strip chassis for the medium duty commercial vehicle segment.

"The opportunity to work with Ford on the Transit Connect BEV is a breakthrough advancement for us at Azure and for the light commercial vehicle market," said Scott Harrison, Azure Dynamics CEO. "For Azure, it's an important evolution of our existing relationship with Ford. From an industry standpoint, we are seeing delivery fleet and utility vehicle operators move to smaller, more fuel efficient vehicles. The Transit Connect BEV will come to market at an ideal time to meet this growing trend."

Oak Park, Mich.-based Azure Dynamics will integrate its proprietary Force Drive(TM) battery electric drive train into the Transit Connect BEV, which will have a targeted range of 80 miles minimum on a full charge and zero tailpipe emissions. Force Drive(TM) components have previously been deployed in more than 40 vehicle integrations and have more than 25 million miles of on-the-road experience. The Transit Connect BEV will offer fleet owners the opportunity to eliminate the use of gasoline and help to lower operating costs. The vehicle will be badged with both the Ford Blue Oval and Azure's Force Drive logo.

Azure Dynamics has selected Johnson Controls-Saft as the supplier for lithium-ion battery cells and battery packs for the Transit Connect BEV. Azure Dynamics and Ford both currently utilize Johnson Controls-Saft battery technology for other products. The Transit Connect BEV will use the same proven cell technology that is currently deployed in the Ford Escape plug-in hybrid fleet that is on the road today. In addition, Azure had previously announced it would use Johnson Controls-Saft lithium-ion batteries for its E-450 Balance Hybrid Electric beginning in the second half of 2010. The shared supplier business relationship is expected to provide additional synergy between Ford and Azure in the Transit Connect BEV project.

Transit Connect commercial platform ideal choice for battery electric power
The Ford Transit Connect already is a proven global success. Ford introduced the gasoline-engine Transit Connect to North America this year. With a unique combination of car-like driving dynamics, cargo capacity, accessibility and low purchase and operation costs, it is an ideal choice for electrification. Commercial users often travel predictable, short-range routes with frequent stop and go driving

in urban and suburban environments. For customers seeking sustainable mobility solutions, the Transit Connect Battery Electric Vehicle with Azure Force Drive(TM) will provide a zero emissions option.

The Transit Connect was designed, engineered and manufactured on a dedicated global commercial vehicle platform to beat tough commercial vehicle durability standards. The final manufacturing location for the Transit Connect BEV has not yet been determined.

About Ford Motor Company

Ford Motor Company, a global automotive industry leader based in Dearborn, Mich., manufactures or distributes automobiles across six continents. With about 201,000 employees and about 90 plants worldwide, the company's automotive brands include Ford, Lincoln, Mercury and Volvo. The company provides financial services through Ford Motor Credit Company. For more information regarding Ford's products, please visit www.ford.com.

About Azure Dynamics Corporation

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.

###

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.

FOR MORE INFORMATION ON AZURE, CONTACT:

Mike Elwood, Azure Dynamics Vice President - Marketing, 905-607-3486 x203
Email: melwood@azuredynamics.com

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