



Azure Dynamics and Collins Bus Corporation Announce Additional NEXBUS School Bus Sales

Oak Park, Michigan – September 22, 2009 – Azure Dynamics Corporation (TSX: AZD) – (“Azure” or the “Company”), a leading developer of state-of-the-art green technologies that address environmental and cost issues for the commercial and student transportation industry, announced that its partnership with Collins Bus Corporation has sold two hybrid electric NEXBUS school buses to Durham School Services, a subsidiary of National Express Corporation (NEC). NEC manages more than 16,000 school buses in North America. NEXBUS utilizes Azure’s Balance™ Hybrid Electric drivetrain with a Collins school bus body. Collins is the largest builder of Type A (short) school buses and Azure’s exclusive partner in producing Type A certified hybrid school buses.

NEXBUS is Collin’s trademarked name for the hybrid product. Built on a Ford E450 chassis with Azure’s proprietary drive train technology, NEXBUS can achieve up to a 35 percent increase in fuel economy while reducing maintenance costs by up to 30 percent. Importantly for the school bus operators, the technology reduces harmful emissions by up to 30 percent, improving air quality for its student passengers and for the environment in which the buses operate.

“We’re delighted to be able to provide our efficient, green technology to our partners at Collins and Durham,” said Jay Sandler, Azure Dynamics Vice President of Sales. “Collins sells far more Type A school buses than any other manufacturer and Durham is a highly-regarded school bus operator with more than 13,000 buses at work in the United States alone. NEXBUS is the right product at the right time and we’re pleased that it can help all of the partners achieve their objectives.”

The first of the two buses is configured for twenty passengers and has been delivered to Durham’s Rosemead, California location. The second bus, configured for twelve seated passengers and two wheelchair positions, is headed to Wichita, Kansas.

Collins recently displayed Durham’s NEXBUS at the School Transportation News Expo in Reno, Nevada. Durham allowed expo attendees to test drive the NEXBUS giving many state transportation directors the opportunity to experience the features and benefits firsthand.

Durham considers the initial two NEXBUS vehicles as a pilot program. As the company better understands the characteristics of the vehicles and better quantifies the economic opportunity, additional orders may result. Durham’s parent, National Express Corporation, manages 16,300 school buses in the United States and Canada serving more than 350 school districts.

Kent Tyler, President of Collins Bus Corporation, said, “We appreciate National Express Corporation as a customer and their willingness to show their new bus at the STN Show. Our

NEXBUS offers cleaner air quality without any sacrifice in performance and can therefore support National's mission of 'getting kids to school safe, on time and ready to learn'."

Greg Miller, Senior Vice President of Fleet Operations for National Express Corporation underscored the company's commitment to sustainability. "Our corporate responsibility is to ensure we support appropriate and sustainable technologies that not only benefit the environment, but also offer a viable, future application."

Collins Bus markets the Type A brands Collins and Mid Bus in the United States and Corbeil in Canada. The company has over 70 dealerships in North American which will aggressively support NEXBUS sales opportunities.

About Durham School Services

Durham School Services is a leading provider of student transportation consistently recognized for its outstanding safety record. Durham partners with school districts in 29 states and operates a fleet of more than 13,500 buses. Our success rests with our dedicated employees who live our mission: "Getting kids to school safe, on time and ready to learn...every day." For more information, visit www.durhamschoolservices.com.

National Express Corporation (NEC) is the North American subsidiary of National Express Group, PLC, one of the premier transportation firms in the United Kingdom. NEC is made up of Durham School Services in the United States and Stock Transportation in Canada. Both Durham and Stock share a strong commitment to provide quality transportation, outstanding customer service, positive employee relations.

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.

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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