



## **Azure Dynamics Wins Michigan Department of Transportation Contract**

**Oak Park, Michigan – September 24, 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 transportation industry, today announced that its Balance™ Hybrid Electric technology has been approved by the Michigan Department of Transportation (MDOT) for use by state transportation agencies on up to 50 buses. The MDOT contract creates a fixed price for up to 50 buses and will remain in effect for up to three years with a total maximum value of \$5.6 million. Midwest Bus Sales is the dealership of record on the agreement and StarTrans Bus is the lead body manufacturer. MDOT will select a transit agency within the state to receive a first run pilot unit by year end.

“One of our core strategies at Azure is to partner with dealerships and body manufacturers so we can aggressively respond to state and county issued Request for Proposals (RFPs),” said Jay Sandler, Azure Dynamics VP of Sales. “Recent sales to transit authorities in Kentucky and Minnesota were the result of state contract awards demonstrating the value of these relationships and we look forward to additional orders from Michigan agencies.”

“It is exciting to make these small hybrid buses available to Michigan transit agencies,” said Sharon Edgar, MDOT administrator, Passenger Transportation. “This is exactly what Michigan transit agencies are looking for – a small hybrid transit bus, more efficient, and better suited to their service needs. It’s a new direction for transit systems everywhere in the nation and we have several Michigan agencies that are interested in obtaining one or more.”

On August 5<sup>th</sup>, 2009, Azure Dynamics and its partner National Bus Equipment announced that it had won a state contract award in Kentucky. That contract saw three different Kentucky agencies immediately order a total of 10 vehicles with an option for up to 40 additional buses. Previously, in June 2009, Azure and partners Høglund Bus and Turtle Top won an RFP in Minnesota which immediately resulted in 15 Balance™ Hybrid Electric shuttle bus sales to Metro Mobility. The Minnesota contract also remains open.

In addition to state contracts, individual counties can issue RFPs. For example, Azure and Arcola Bus Sales submitted the winning response to a York County, PA RFP resulting in a sale of 10 CitiBuses to Rabbit Transit with an option for 15 additional buses. A recent RFP from Howard County, MD was won by Azure and Colonial Bus Equipment.

“Our distribution channels include numerous Ford dealerships and seven of the premier bus body manufacturers in the nation,” Sandler said. “As was the case with our MDOT partners at StarTrans and Midwest Bus, we are able to quickly identify and respond to public RFPs for incremental units. As more agencies become familiar with the performance, cost and environmental benefits of our technology, we believe we’ll see additional sales to municipalities.”

In addition to the Michigan DOT Hybrid Small Bus Contract, Azure Dynamics is listed on current contracts with the following entities: State of Oregon Small Bus Contract, Minnesota DOT Small Bus Contract, Kentucky Public Transit Association Small Bus Contract, Florida DOT Small Bus Contract, Volusia County Transportation Authority Bus Contract, Howard County Maryland Light Duty Gasoline Hybrid Bus Contract and York County Transportation Authority Small Hybrid Transit Vehicles. In select circumstances, additional states can order from existing contracts. For example, the State of Washington can order vehicles from the Oregon contract. Azure and its partners are also in advanced discussions with several other state and regional authorities.

Azure's hybrid electric drive trains can improve fuel economy by up to 40 percent, reduce maintenance costs by 30 percent, and reduce greenhouse gas emissions by 30 percent.

For more on Azure Dynamics, 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).

*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](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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