



Azure Dynamics Announces Eight CitiBus Sales to Howard County

Oak Park, Michigan – September 30, 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 dealer, Colonial Equipment Co., has been awarded a bid with Howard County, Maryland for 25 of the Azure CitiBus™. Howard County Transit immediately ordered eight buses from the bid and has a year-long option to place orders for the remaining 17 CitiBuses. Colonial Equipment, which managed the sale to Howard County, is an authorized General Services Administration (GSA) supplier which has partnered with Azure Dynamics to deliver transportation solutions eligible for Stimulus Package funding.

“Many regional transit authorities are seeking affordable, eco-friendly transportation solutions that accommodate both seated and wheelchair passengers,” said Jay Sandler, Azure Dynamics VP of Sales. “Our CitiBus™ has a wheelchair lift in the rear right corner and offers flexible seating configurations based on the immediate needs of the passengers.”

Sandler continued, “We’re also pleased with our growing relationship with Colonial Equipment. Together we are working to provide our mutual customers with environmentally friendly transportation solutions that are eligible for stimulus funding.”

According to Colonial Equipment, customers have been attracted to the Azure CitiBus’ ability to achieve up to 40% improvement in fuel economy, a 30% reduction in maintenance costs and a 30% reduction in greenhouse emissions.

“We’re seeing increased interest for alternative fuel and environmental friendly vehicles from customers at the Federal Government level all the way down to small, private companies,” said Don Combs, President of Colonial Equipment. “Green technology is very important for proactive fleet managers, so Howard County’s selection of Azure’s CitiBus™ is a natural.”

Azure Dynamics and Colonial Equipment previously partnered on GSA CitiBus™ sales for two units to the Smithsonian Institution in Washington D.C. and a third CitiBus™ to the United States Air Force Academy in Fort Collins, CO. These buses were sold in 2008 and are now in active service for the respective fleet operators.

Howard County, Maryland includes the cities of Columbia and Laurel and is within a half hour drive to both Baltimore and Washington D.C. The County was the first in the state of Maryland to establish an “Office of Sustainability” and has a focused dedication to green solutions.

Colonial Equipment recently moved into a new headquarters facility that includes significant environmentally friendly attributes. The new facility is located at 5171 Intercoastal Court, Monrovia, MD, 21770.

AZD has developed the hybrid electric CitiBus™ using the HD Senator bus body manufactured by Supreme Corporation's StarTrans Bus Division for paratransit and shuttle bus customers. The CitiBus™ is an environmentally responsible solution that reduces fuel consumption and harmful emissions thereby making it an attractive alternative to conventional buses. The CitiBus™ has completed the Altoona 200,000 mile, seven-year durability test and meets the requirements for most Federal and State stimulus programs.

For more information about Azure Dynamics and its products, please visit 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.

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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