



Azure Dynamics To Begin Integrating Plug-In Hybrid Technology in Ford F-Series Super-Duty Trucks

- Azure's plug-in hybrid technology to be initially integrated on Ford's market leading F-Series Super Duty cab and chassis, the F-550, expected in early 2013
- Agreement provides for Azure to integrate its plug-in-hybrid technology on other Ford F-Series Super Duty cab and chassis, including the F-350 and F-450
- The commercial cab and chassis industry supports approximately 100,000 vehicles per year
- Ford F-Series Super Duty platform is the clear cab and chassis market leader with greater than 50% share
- F-Series program furthers existing business relationship between Azure and Ford that previously brought the innovative Transit Connect Electric and the E-450 Balance™ Hybrid Electric Step Van and Shuttle Bus to market

Oak Park, Michigan – July 27, 2011 – Azure Dynamics Corporation (TSX: AZD)(OTC: AZDDF) (“Azure” or the “Company”), a world leader in the development and production of hybrid electric and electric components and powertrain systems for commercial vehicles, today announced an agreement with Ford Motor Company (NYSE: F) whereby Azure will integrate its proprietary plug-in hybrid (“PHEV”) technology into the market leading Ford F-Series Super Duty product line.

In collaboration with Ford, Azure's plug-in hybrid technology will be initially integrated on Ford's market leading F-Series Super Duty cab and chassis, the F-550, which is expected to be available in early 2013. The agreement also allows Azure to perform hybrid powertrain conversions on other Super Duty platforms including F-350 and F-450 models and spans all engine, frame length and regular production options and configurations. The Super Duty program will allow Azure to further expand its product line-up in its targeted medium duty commercial truck segment.

The Azure/Ford agreement includes a 'ship-thru' provision that permits Azure to place vehicles in the Ford transportation system and allows qualified Ford Commercial Truck dealerships to sell and service the product in key markets in North America.

"We are extremely pleased to expand our relationship with Ford and launch our PHEV technology on the F-Series Super Duty platform, which is the largest and most successful cab and chassis brand in North America," said Scott Harrison, Azure's CEO. "This is an ideal outcome for Azure and our customers."

With more than a 50% market share, the Ford F-Series Super Duty is the most established cab and chassis brand in the North American market. The commercial cab and chassis industry supports approximately 100,000 vehicles per year and is the preferred active work-truck for thousands of commercial fleets managing a broad range of logistical needs. The Super Duty offers several diesel and gasoline engine options and a variety of cab, bed and accessories options.

Collaboration builds on existing business relationship

Azure and Ford teamed up in 2009 to bring the innovative Transit Connect Electric to market in just 13 months after the program was first announced. The new PHEV F-Series program further expands the Azure/Ford business relationship which, in addition to the Transit Connect Electric, also markets the E-450 Balance™ Hybrid Electric Step Van and Shuttle Bus.

"As interest in alternative energy products continues to grow, consumers are looking for more powertrain options that are both environmentally friendly and fit their driving needs," said Rob Stevens, Commercial Vehicle Chief Engineer, Ford Motor Company. "The flexibility of our vehicle platforms and chassis allows Ford to develop our own alternative fuel products or work with partners, like Azure Dynamics, to deliver consumers with the power of choice when purchasing a greener, more fuel efficient vehicle."

Prior to the Transit Connect Electric development, Azure and Ford collaborated on the E-450 cutaway and strip chassis to create the Balance™ Hybrid Electric, a truck or shuttle that achieves up to 40% fuel improvement while reducing emissions and maintenance costs by up to 30% each. Balance™ Hybrid Electric has 60% share in the medium duty (class 2c – V) hybrid commercial truck market in North America and is deployed in notable fleets like AT&T, CINTAS, DHL, FedEx Express, and Purolator to name a few.

Market Outlook

It is expected that the cab and chassis market could grow by as much as 50% over the next five years as fleet operators, who have delayed purchase decisions, return to market to replace aging inventory. Interest in fuel efficient cab and chassis alternatives has never been greater due to rising and unpredictable fuel costs.

Moreover, enthusiasm for eco-friendly technologies that began with the largest national commercial fleets, is spreading to smaller, regional fleets that increasingly understand that alternative energy technologies do not require a sacrifice in performance or durability. The Ford F-Series Super Duty has already attracted legions of loyal customers, many of whom are enthusiastic about the performance benefits associated with the new PHEV option.

“The F-Series program aligns perfectly with our product development strategy,” said Harrison. “We’re able to focus on development and integration of our powertrain solutions and at the same time benefit from Ford’s expertise in building ground-up vehicle platforms keeping Azure’s capital costs in check.”

“Our engineering team has proven the flexibility of our technology through more than 40 different vehicle integrations and 35,000,000 miles of real world driving experience. We’ve been searching for the right opportunity and knew we could move quickly and intelligently when we found it. We feel strongly that the Ford F-Series program is exactly the right opportunity.”

About Azure Dynamics

Azure Dynamics Corporation (TSX: AZD)(OTC: AZDDF) 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 a variety of 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 Advisory

Certain information included in this press release constitutes forward-looking statements and information and future-oriented financial information under applicable securities legislation and is provided for the purpose of expressing management's current expectations and plans for the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes, such as making investment decisions.

More particularly, this press release contains statements concerning Azure's anticipated: business development strategy, customer orders, product deliveries, sales, revenue and revenue growth. The forward-looking statements are based on a number of key expectations and assumptions made by Azure, including expectations and assumptions concerning achievement of current timetables for development programs and sales, 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 used to develop the forward-looking statements 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 numerous risks and uncertainties that contribute to the possibility that the projections and forecasts in the forward-looking statements will not occur and that actual performance or results could differ materially from those anticipated in the forward-looking statements. These risks and uncertainties include, but are not limited to, the risks associated with Azure's stage of development, history of losses and lack of historical product revenues, uncertainty as to product development and sales milestones being met, product defect and performance risks, competition for capital and market share, uncertainty as to target markets, dependence upon third parties, changes in environmental laws or policies, uncertainty as to patent and proprietary rights, availability and retention of management and key personnel, exchange rate and currency fluctuations, uncertainties relating to potential delays or changes in plans with respect to product development or capital expenditures, the ability of Azure to access sufficient capital on acceptable terms, and environmental and safety risks. This is not an exhaustive list and additional information on these risks and other factors that could affect Azure's operations and financial results are included in reports on file with the Canadian securities regulatory authorities and can be accessed through the SEDAR website 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. Additionally, Azure undertakes no obligation to comment on the expectations of, or statements made by, third parties about Azure.

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