



Azure Dynamics Delivers Its 1000th Balance™ Hybrid Electric Truck To Purolator, Its Largest Customer

- Purolator currently operates 555 units, making it the world's largest fleet of Azure's Balance™ Hybrid Electric vehicles
- This 1000th unit also represents Purolator's 200th unit received in 2011, as part of its previous 600 unit order to be delivered over a three-year period
- Azure Dynamics Corporation is the world's #1 provider of hybrid electric powertrain solutions in the medium-duty commercial hybrid truck (Class 2c-5) market with approximately 50% share

Oak Park, Michigan – January 12, 2012 – 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 light and medium duty commercial vehicles, today announced that it has delivered its 1000th Balance™ Hybrid Electric Truck to Purolator, Azure's largest customer. This unit also represents Purolator's 200th Hybrid Electric truck received in 2011, which is part of its previous record 600 unit order providing for 200 units being delivered in 2011 with an additional 200 units scheduled in both 2012 and 2013, subject to annual authorizations by Purolator.

“This is a significant milestone in Azure's history and is fitting that Purolator be the recipient of this 1000th vehicle,” said Scott Harrison, Chief Executive Officer of Azure. “Purolator continues to be our largest volume customer and consistently demonstrates a strong commitment to the environment by adding cleaner, greener Balance™ Hybrid Electric vehicles to its fleet.”

“Purolator is proud to receive Azure Dynamics’ 1000th Balance™ Hybrid Electric Truck – a noteworthy achievement we gladly celebrate with the Azure team as we add to North America’s largest hybrid-electric pick-up and delivery fleet,” said Tom Schmitt, Purolator’s President and CEO. “As we receive our 555th Balance™ Hybrid Electric Truck, I am proud to point out that working alongside Azure Dynamics has helped Purolator to consistently deliver industry leading on-time service and reliability to our customers in a sustainable manner.”

Purolator operates a fleet of 3,500 vehicles and, as the recent recipient of the Logistics Quarterly Third-Party Logistics Sustainability Award, delivers Canada to and from more markets in the U.S. - growing globally in a sustainable manner while contributing to the well-being of the communities in which its over 11,500 teammates live, work and play. In 2005, Purolator was the first express transportation company in Canada to introduce hybrid electric vehicles.

The Azure Balance™ Hybrid Electric vehicles ordered by Purolator are integrated on a Ford E450 chassis with a Ford 5.4L gasoline engine. The hybrid electric drive train which features unique attributes such as engine-off at idle and below 20 miles per hour, while electronically supporting key ancillary functions like power steering and braking, is ideally suited for commercial activity in urban environments.

For more information on how Azure Dynamics powertrains are ‘Driving a World of Difference:’ please visit www.azuredynamics.com

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 light and medium duty 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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About Purolator

Purolator is Canada's leading integrated freight and parcel solutions provider. Celebrating 50 years of delivering Canada, the company continues to expand its reach to more people, more businesses and more places across the country and around the world. Purolator is proud of its Canadian heritage and is positioning itself for future growth and success. As the recent recipient of the Logistics Quarterly Third-Party Logistics Sustainability Award, Purolator is growing globally in a sustainable manner while contributing to the well-being of the communities where its over 11,500 teammates live, work and play.

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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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