



Azure Dynamics Selects Lotus Lightweight Structures for Transit Connect Electric Upfitting in Europe

- Lotus Lightweight Structures to provide expertise to upfit the base Ford Transit Connect with Azure's patented ForceDrive™ electric powertrain to create Transit Connect Electric
- Production is scheduled to begin in June, 2011 at the Lotus Lightweight Structures facility in Worcester, UK
- Lotus Lightweight Structures' high technology capabilities enables Azure to scale production to meet expected demand

Oak Park, Michigan – March 23, 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, announced today that Lotus Lightweight Structures, a division of Group Lotus plc, will provide assembly support for the Transit Connect Electric for the European market. Lotus Lightweight Structures will be responsible for upfitting Azure's patented ForceDrive™ battery electric powertrain into Ford Transit Connect "gliders" (powerless vehicles without a conventional powertrain or exhaust) from its facility in Worcester, UK, beginning in June 2011.

"The European Union and individual governments and private businesses are all working to lead the adoption of electric transportation technology and have shown strong interest in the Transit Connect Electric van," said Scott Harrison, CEO of Azure Dynamics. "With Lotus Lightweight Structures, the project gets another globally renowned automotive company to ensure that final assembly is completed to the exacting standards of our customers."

Stephan Pathenschneider, Chief Operating Officer – Lotus Cars said, "As part of Group Lotus plc, Lotus Lightweight Structures, based in Worcester in England, has a well earned

reputation as one of the finest high technology automotive organizations in the world. We have a client base that includes both premier sports car brands and large car companies and of course we manufacture and assemble the pioneering and award winning bonded and extruded aluminium chassis for the Tesla Roadster, the Lotus Evora, the Lotus Elise and Lotus Exige. We not only specialize in manufacturing vehicle structures from lightweight materials including aluminium, composites and lightweight steels, but we also have a high quality and efficient assembly process which will enable us to upfit the Azure Dynamics ForceDrive™ electric Powertrain to the Ford Transit Connect Electric.”

Transit Connect Electric is the all-electric version of Ford Motor Company's award-winning Transit Connect, first introduced in Europe in 2002 when it was awarded the prestigious 'International Van of the Year Award'. Transit Connect has a successful history in Europe due to its combination of car-like driving dynamics, cargo capacity, accessibility and low operating costs. Transit Connect Electric is an ideal choice for light duty commercial customers who travel predictable, short-range routes with frequent stop-and-go conditions in urban and suburban environments. In addition to its favorable carbon footprint, the Transit Connect Electric is extremely quiet thus lessening noise pollution on crowded streets.

Many European fleet owners have participated in early Transit Connect Electric demonstration programs and expressed enthusiasm for the vehicle's performance and eco characteristics. On a full charge, Transit Connect Electric has a range between 80 KM/50 miles and 130 KM/80 miles depending on auxiliary power usage and drive cycle. It is rechargeable using standard European 220/240-volt outlets within 6 to 8 hours. Commercial fleet vehicles generally return to a central location at the end of a driving cycle making them perfect for recharging overnight.

The Lotus Lightweight Structures facility in Worcester, England will receive Transit Connect “gliders” shipped from the Ford manufacturing location in Turkey, and ForceDrive™ electric components from Azure and its supplier facilities. Lotus Lightweight Structures will provide all final assembly operations for vehicles bound to the European market.

Azure's ForceDrive™ powertrain has previously been deployed in more than 40 vehicle integrations and has more than 35 million miles of on-the-road experience. Energy stored in the lithium ion battery is utilized to drive the motor through the electric powertrain's motor controller. The accelerator input from the driver converts DC power supplied by the battery into three precisely timed signals used to drive the motor. The Transit Connect Electric van's appearance is identical to the standard Transit Connect other than the inclusion of the Azure

ForceDrive™ badge on the rear of the vehicle and information provided on the instrument cluster. Of course, Transit Connect Electric will not have an exhaust pipe as the vehicle produces zero tailpipe emission.

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.

About Lotus

Group Lotus plc, is based in Norfolk, UK, and has three operating divisions: Lotus Cars, Lotus Engineering and Lotus Motorsport.

Lotus Cars builds world class, high performance sports cars including the award-winning Evora, the iconic Elise and the stunning Exige and the road / track orientated 2-Eleven. Lotus New Era, the future product line-up, was unveiled in Paris on 30th September 2010 featuring the new Esprit, Elan, Elite, Elise and Eterne.

Lotus Cars also includes **Lotus Lightweight Structures** which is based in Worcester, England and manufactures the bonded and extruded Aluminium chassis structures for all Lotus cars and also manufactures components for other premier sports car brands and large car companies.

Lotus Engineering provides comprehensive and versatile consultancy services to many of the world's OEMs and Tier 1 suppliers and is an internationally recognised automotive engineering consultancy. Global facilities include those in the US, Malaysia, China and offices in Germany and Japan, with rapid expansion in new territories such as South East Asia. Lotus is a global high-tech company, expanding rapidly and committed to driving forward technology for both Lotus Cars and its Engineering clients, spearheading research into such areas as hybrids, electric vehicles and renewable fuels.

Lotus Motorsport operates the motorsports activities of Lotus and includes the strategy to return the Lotus name to a great number of series including endurance racing with GT2, GT4 and LMP2, single seater racing with GP2, GP3 and IndyCar. Lotus has also returned to F1 with Lotus Renault GP from the start of the 2011 F1 racing season onwards.

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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