



AZURE DYNAMICS SIGNS NEW AGREEMENTS WITH EIGHT FORD DEALERSHIPS

Oak Park, Michigan - October 29, 2008 - Azure Dynamics Corporation (TSX: AZD, LSE: ADC & OTCQX: AZDDF) - ("Azure" or the "Company"), a leading developer of hybrid electric and electric powertrains for commercial vehicles, announced today it has signed Sales & Service agreements with eight additional Ford dealerships to represent Azure's innovative Balance™ Hybrid Electric commercial truck. This brings the total number of dealerships to fourteen since the enrollment program began in June. The new dealerships are:

- Badger Truck Center, Milwaukee, WI;
- Boyer Ford Trucks, Minneapolis, MN;
- Grande Ford, San Antonio, TX;
- Northside Truck and Equipment, Portland, OR;
- Sherway Ford, Toronto, ON;
- Sopp Ford, Los Angeles, CA;
- Tuttle Click Ford, Irvine, CA;
- Minuteman Trucks Inc., Walpole, MA.

"These new partners are all highly regarded and influential commercial truck retailers in the major metro markets they serve," said Jay Sandler, Azure Dynamics' Vice President of Sales. "We're thrilled to have them on board."

The new dealership agreements are the result of Azure's effort to enlist approximately 50 dealers in major markets in the U.S. and Canada to broaden Azure's distribution network for its Balance™ Hybrid Electric. The dealerships will maintain inventory of ready-to-deliver Cube Vans and Walk-in Vans equipped with Azure's hybrid electric powertrains.

Tim Blide, General Manager at Boyer Trucks, commented on the partnership with Azure, "Boyer Ford is very enthusiastic about carrying the Azure hybrid vehicle line. Our partnership with Azure puts us at the forefront of alternative fuel vehicle options providing our customers with advanced technology to help them lower their cost structure while also contributing to a cleaner, greener environment. We think the product will do very well in the markets we serve."

The Balance™ Hybrid Electric system is integrated on Ford's E450 Cutaway and Strip Chassis drive system and utilizes a conventional 5.4 liter Triton gasoline

engine and 5-speed automatic TorqShift transmission. The hybrid powertrain features electric-launch up to 20 mph, and engine-off at idle, while electronically supporting key ancillary functions like air conditioning, power steering and braking. The powertrain can improve fuel economy by up to 40%, while reducing carbon emissions up to 30% in city conditions.

For more information about Azure Dynamics and its family of hybrid electric and electric commercial vehicles, please visit www.azuredynamics.com.

About Azure Dynamics

Azure Dynamics Corporation (TSX: AZD) (LSE: ADC)(OTCQX: 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 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 and LSE Exchanges do not accept responsibility for the adequacy or accuracy of this release.

-30-

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.

FOR MORE INFORMATION ON AZURE, CONTACT:

Jay Sandler - Vice President - Sales (248) 298-2403 ext 1205
Email: jsandler@azuredynamics.com

Ryan Carr, Chief Financial Officer (248) 298-2403
Email: rcarr@azuredynamics.com

Pat Liebler, Liebler!MacDonald, (313) 832-4376
Email: pat@lieblergroup.com