



AZURE DYNAMICS LEEP™ FREEZE SYSTEM AND KIDRON ULTRATEMP – “THE HOTTEST TECHNOLOGY IN COLD TRANSPORT”

Oak Park, Michigan – October 9, 2008 – Azure Dynamics Corporation (TSX: AZD, LSE: ADC & OTCQX: AZDDF) – (“Azure” or the “Company”), a leading developer of hybrid electric and electric technologies for commercial vehicles announced today it has received six orders for its Low Emission Electric Power (LEEP™ Freeze) system. Azure’s LEEP™ Freeze system will be mated to a Kidron UltraTemp system to provide a transport refrigeration solution for Buchy Food Service in Greenville, Ohio.

The LEEP™ Freeze system can be plugged into the grid for off-duty charging. It can also draw and store energy directly from the vehicle’s primary combustion engine during normal driving. The LEEP™ Freeze and Ultratemp system applies energy to the refrigeration system even if the vehicle engine is off and it offers quieter operation and reduced emissions.

“Our LEEP™ Freeze system provides clean electric power to supply auxiliary vehicle systems like cold storage or aerial lifts,” said Scott Harrison, Azure’s Chief Executive Officer. “By partnering with Kidron, we can offer Buchy significant improvements in fuel efficiency and a reduction in emissions while at the same time providing dependable transport refrigeration and cold storage product protection.”

“We chose Azure’s LEEP™ Freeze system to power our UltraTemp refrigeration system as it is a proven technology that has undergone significant testing, including highly sensitive military applications,” said John Sommer, Jr, Kidron’s Sales and Marketing Manager. “We are actively marketing the UltraTemp. Unlike other refrigeration technologies that can unexpectedly shut down, our cold plate technology with LEEP™ Freeze can maintain cold temperatures even if the vehicle itself malfunctions. And, product protection is what cold transport is all about. Meanwhile, this technology extends delivery runtime and reduces operational costs associated with fuel and maintenance.”

UltraTemp with LEEP™ Freeze can save up to six gallons of fuel per hour. Therefore, if a food service company operates a truck for seven years and hauls chilled product 52 weeks a year over five 10-hour delivery days per week, the system can offer a lifecycle savings of \$46,482 (assumes diesel fuel at \$4.50 per gallon).

“We’ve been in business for 130 years and understand what it takes to be successful,” said John Buchy, Buchy Food Service. “On the logistics side, we need to keep costs down while providing timely, reliable and predictable deliveries. The UltraTemp with LEEP™ Freeze technology gives us the peace of mind we need. At Buchy, we utilize environmentally friendly technologies whenever possible. We’re from Greenville, after all.”

The Buchy Food trucks were ordered through Penske Truck Leasing. Penske offers innovative transportation solutions that help fleet operators improve productivity. Penske is a proud supporter and participant in the Environmental Protection Agency’s (EPA) “SmartWay” transport partnership.

The UltraTemp combined with LEEP™ Freeze technology used on the Buchy trucks provided by Penske reduce CO2 emissions by over 26,000 pounds annually compared to an engine-driven mechanical refrigerating system.

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