



AZURE DYNAMICS CLOSES PREVIOUSLY ANNOUNCED PRIVATE PLACEMENT

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August 27, 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, is pleased to announce that it has closed a private placement offering of 100,000,000 common shares at a price of CDN\$0.25 per common share (the “Issue Price”) for gross proceeds of CDN\$25,000,000 (the “Offering”).

As part of the Offering, four of the Company’s directors purchased 1,640,000 shares in aggregate at the Issue Price.

Director Name	Number of Shares	Price	Total Holding following the Offering
Dennis Sharp	1,000,000	CDN\$0.25	1,912,410
Cam Deacon	80,000	CDN\$0.25	1,133,243
James Padilla	400,000	CDN\$0.25	720,000
Scott Harrison	160,000	CDN\$0.25	380,000

Raymond James Ltd. acted as agent to Azure in Canada, and Numis Securities Limited acted as agent to Azure in the United Kingdom and certain other foreign jurisdictions, in connection with the Offering.

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.

Numis Securities Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for the Company and for no one else in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their clients or for providing advice in relation to the Offering or any other matter referred to in this announcement.

Forward Looking Statements

This press release contains forward-looking statements. More particularly, this press release contains statements concerning Azure Dynamics' business development strategy, projected commercial revenues and product deliveries.

The forward-looking statements are based on certain key expectations and assumptions made by Azure Dynamics, including expectations and assumptions concerning achievement of current timetables for development programs, target market acceptance of Azure Dynamics' products, current and new product performance, availability and cost of labour and expertise, and evolving markets for power for transportation vehicles.

Although Azure Dynamics 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 Dynamics 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 Dynamics' 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 Dynamics' products and unproven acceptance of Azure Dynamics' 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 Dynamics' 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 Dynamics 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 DYNAMICS, CONTACT:

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