



AZURE DYNAMICS SHIPS RECORD NUMBER OF UNITS IN SECOND QUARTER AND MAKES PROGRESS ON KEY SALES INITIATIVES

Oak Park, Michigan – July 21, 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 that it shipped a record number of units during the second quarter and continues to gain traction on a number key sales initiatives.

49 hybrid electric and 37 electric vehicle systems were shipped during the second quarter. Key deliveries were made to FedEx Express, AT&T, Pennsylvania Department of Transportation and several others.

In addition, a number of key sales initiatives are expected to contribute positively to Azure’s performance in the second half of 2008, including the following:

- Production has commenced on the Company’s largest order to date of 105 Balance Hybrid Electric systems for Purolator Courier Ltd., Canada’s largest courier company
- Four dealers have recently been signed up as part of the Company’s plan to sign approximately 50 dealers over the next year in major metro markets in the United States and Canada. This will broaden Azure’s distribution network for its Balance Hybrid Electric medium-duty trucks
- New fleets with over 5,000 estimated annual commercial vehicle purchases are either currently engaged in an active product trial or demonstration for the Balance Hybrid Electric, or are expected to enter into one during the third quarter

Scott Harrison, Chief Executive Officer for Azure Dynamics, said “We are seeing unprecedented demand for each of our product lines and are encouraged by the significant number of trials underway with new customers that have major national fleets. Thanks to exceptional efforts by all of our associates, our Balance Hybrid Electric system launched this past May. Our product is performing well and we are providing exceptional value to our customers in the course of executing on our plan to continue to grow our business.”

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

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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.

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