

## Strategic Alliance Announced Between Azure Dynamics And Grumman Olson

Vancouver, British Columbia - June 8th, 2001

Azure Dynamics Corporation (CDNX - AZD) a leading developer of hybrid electric energy management systems for commercial vehicles is pleased to announce that it has entered into a strategic alliance with Grumman Olson Industries Inc of Sturgis, Michigan, one of North America's largest manufacturers of walk-in medium duty commercial vehicles.

The strategic alliance was formed to equip a current Grumman Olson walk-in vehicle with an advanced hybrid power train. "Combining Azure's patented smart energy management system and power-train with Grumman Olson's long history as a premier manufacturer of medium duty commercial vehicles positions both of our companies to play a leading role in a quickly-developing industry," said Campbell Deacon, CEO of Azure Dynamics.

"Our goal," he added, "is to bring a vehicle to market that is easy to operate, significantly more fuel-efficient and exceeds the tougher emission standards coming into effect in 2004."

Azure and Grumman Olson will also develop a concept design for a next generation vehicle involving the development of a ground-up modular, lightweight, walk-in-van structure with lower curb weight, improved aerodynamics and ergonomics, and an advanced hybrid electric power train.

Azure and Grumman Olson have agreed to work together to expand their alliance to include mutually acceptable additional partners.

"Many of our parcel delivery customers are expressing strong interest in a new vehicle that is not only environmentally-friendly but also reduces cost over the vehicle's life cycle," said Jim McConnell, Chairman and CEO of Grumman Olson. "We look forward to working with Azure in developing a product that meets the needs of the industry," he added.

Azure Dynamics is publicly traded on the TSX Venture Exchange under the symbol AZD. Grumman Olson, an owner operated, ISO 9001 certified company, has built over 500,000 truck bodies since its inception 56 years ago. Its product lines include Walk-Ins, Dry Freight, Refrigerated, PDV's and specialized upfit bodies.

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