



News Release

For Immediate Release

AZURE DYNAMICS CORPORATION ANNOUNCES COMPLETION OF \$5 MILLION SPECIAL WARRANT PRIVATE PLACEMENT

Vancouver, British Columbia – February 1, 2002

Azure Dynamics Corporation (CDNX - AZD) ("Azure") announces the completion of its non-brokered private placement financing of \$5.2 million by way of the issuance of 10,400,000 Special Warrants at a price of \$0.50 per Special Warrant. Each Special Warrant is convertible into one (1) Common Share for one (1) year after closing. The gross proceeds from this private placement will be used for general corporate purposes as well as ongoing research and development of Azure's proprietary smart energy management technology for hybrid electric light and medium duty commercial vehicles.

Azure Dynamics Corp. is an innovative company that has developed proprietary hybrid electric vehicle technology for retrofit and new vehicle powertrains in the light to medium duty commercial vehicle category. Azure's intellectual property combined with interchangeable, off-the-shelf components provides an affordable and effective solution for fleet managers in applications such as postal and courier delivery fleets.

Azure's series hybrid vehicle technology is also a gateway to fuel cells becoming economical and operational. A series hybrid system (battery plus fuel cell) enables a reduction in the size and performance requirements of the fuel cell thereby lowering the cost of the system while increasing the overall efficiency of the vehicle through the capture of regenerative braking energy.

FOR MORE INFORMATION, CONTACT:

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Note: The foregoing information may contain forward-looking statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. Such factors include, but are not limited to: the ability to raise the capital required for product development and operations, product development delays, changing environmental regulations, the ability to attract and retain business partners, competition from other developers of hybrid electric vehicle control systems, competition from other advanced or existing power technologies, evolving markets for power for transportation vehicles. These factors should be considered carefully and readers should not place undue reliance on Azure's forward-looking statements. Investors are encouraged to review the risks detailed from time to time in the company's filings with regulatory authorities.

The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release

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