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News release via Canada NewsWire, Toronto 416-863-9350

Attention Business Editors:

Azure Dynamics Corporation to Receive \$9 Million Investment

VANCOUVER, April 3 /CNW/ - Azure Dynamics Corporation (CDNX: "AZD") is pleased to announce that it has entered into a \$9M Research and Development investment agreement with the Government of Canada. The investment will help the company undertake further pre-commercialization research, development and testing of Azure's smart energy management systems and powertrains for hybrid electric vehicles.

Azure Dynamics Corporation 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 since a series hybrid system, used in a fuel cell powered vehicle, enables a reduction in the size and performance requirements of the fuel cell.

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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