

Attention Business/Automotive Editors:
Canada Post Orders Five Hybrid Electric Prototypes from Azure Dynamics

TORONTO, April 4 /CNW/ - Azure Dynamics Corporation (TSX Venture Exchange - AZD) announced today that Canada Post has ordered five hybrid electric powertrains for an 18-month pilot program to in-service test retrofitted Canada Post delivery vans utilizing Azure's hybrid electric technology. The units will be 'cluster-tested' in Vancouver, Calgary, Toronto, Ottawa and Montreal.

The vans will be utilized in regular Canada Post delivery routes. Two more vans will undergo stringent laboratory testing in extreme conditions to quantitatively validate their performance. The first of the hybrid vehicles will begin operating in August, 2003. The vehicles will feature Azure-developed hybrid powertrains that regenerate energy in the brake cycle and can reduce fuel consumption by over 50% and reduce emissions by up to 90%.

The technology is a sophisticated energy management system for HEV powertrains and offers real-time energy management to optimize performance of the HEV propulsion system components. It adapts the control system to actual operating conditions.

"Our technology is designed to enable the use of smaller engines and component parts. This lowers the premium cost of hybridization in addition to reducing operating costs and fuel consumption thereby allowing fleet managers to make an economic case that improves margins while lowering emissions. This order will allow Canada Post to confirm the functionality of hybrid vehicles," explained Campbell Deacon, Chief Executive Officer of Azure.

Tom Charlton, Senior Vice-President Operations for Canada Post said, "Canada Post is committed to the development and implementation of an environmentally efficient fleet, providing our employees and customers with a technically advanced, clean and healthier delivery service."

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

About Azure Dynamics:

Azure Dynamics Corporation is an innovative company that has developed proprietary hybrid electric vehicle technology for the light and medium duty commercial vehicle category. Azure was the recipient of the Canadian Energy Efficiency Award 2003 from Natural Resources Canada in the category of transportation (light duty commercial vehicles) and also received the 2002 Applied Energy Innovation Award from the Canadian Institute of Energy (BC).
Website: www.azuredynamics.com

About Canada Post:

Canada Post delivers 37 million pieces of mail each day to over 30 million Canadians at some 13 million addresses and nearly 1 million Canadian businesses from coast to coast. Incorporated in 1981, its more than 56,000 people and 7,000 postal outlets, the largest retail network in Canada, are a trusted presence in communities across the country, as they have been for more than 150 years. In 2001, it earned net income of CDN\$67 million on revenues of CDN\$4.4 billion (In 2001, the Corporation changed its fiscal year end from the last Saturday in March to the last day in December, resulting in a nine-month fiscal period from April 1, 2001 to December 31, 2001). In addition to Canada Post, The Canada Post Group includes Canada Post International Limited, Purolator Courier Ltd., Progistix-Solutions Inc., Intelcom Courier Canada Inc., epost (jointly owned by Canada Post, the Bank of Montreal and TELUS Corp.) and Innovapost (jointly owned by Canada Post and CGI). Canada Post is a world leader, providing innovative physical and electronic delivery solutions, creating value for its customers and new ways to communicate that are bold, innovative and effective. It connects Canadians

from anywhere... to anyone. Website: www.canadapost.ca.

%SEDAR: 00004594E

/For further information: FOR MORE INFORMATION ABOUT AZURE, CONTACT -
Azure Dynamics Corporation - David E. Deacon, President & COO, Tel:
(416) 367-0220 x 104, Email: [ddeacon\(at\)azuredynamics.com](mailto:ddeacon@azuredynamics.com); Canada Post
Corporation - John Caines, Manager National Media Relations, Tel:
(613) 734-7675, Email: [john.caines\(at\)canadapost.ca/](mailto:john.caines@canadapost.ca)
(AZD.)

CO: Azure Dynamics Corporation

CNW 10:51e 04-APR-03