

Attention Business Editors:
Azure Dynamics receives engineering contract from the Department
of National Defence

VANCOUVER, April 21 /CNW/ - Azure Dynamics Corporation (TSX Venture - AZD) ("Azure") a leading developer of hybrid electric powertrains for commercial vehicles is pleased to announce that it has been awarded an engineering contract from the Department of National Defence ("DND").

Under the terms of the agreement, The DND will contract Azure to determine the feasibility of converting existing military vehicles from traditional diesel power to hybrid electric power. Azure will determine and recommend the most cost effective solution for retrofitting a military vehicle with a hybrid powertrain. This program plans to consist of a variety of deliverables ranging from component availability as well as the cost and timelines needed for conversion to hybrid electric technology. Engineering parameters will be established by analyzing different drive cycles. Upon successful delivery of the engineering study for hybrid electric conversion, the DND will authorize the second phase of this program.

Campbell Deacon, CEO of Azure Dynamics said, "We are very pleased to have been awarded this contract and look forward to working with the DND to develop a vehicle that fulfills their requirements."

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 (EC).

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

%SEDAR: 00004594E

/For further information: Steven K. Glaser, Vice President Corporate Affairs (416) 367-0220 ext 105, Email: sglaser(at)azuredynamics.com; Or visit the company's website at www.azuredynamics.com/
(AZD.)

CO: Azure Dynamics Corporation

CNW 10:07e 21-APR-03