

## **Azure Dynamics receives second phase of engineering contract from the Department of National Defence**

**Vancouver, British Columbia – November 03, 2003**

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 the second phase of an engineering contract from the Department of National Defence ("DND").

Under the terms of the original agreement, previously announced on April 21, 2003, DND contracted Azure to determine the feasibility of converting existing military vehicles from traditional diesel power to hybrid electric power. Azure analyzed the different drive cycles of the vehicle and established engineering parameters for a hybrid powertrain that has the potential to achieve the optimal performance efficiencies in a cost effective solution for retrofitting a military vehicle. Based on Azure's design proposals, DND has authorized the second phase of this program which entails recommendations regarding the selection and sourcing of the powertrain components that are required to execute Azure's design.

Campbell Deacon, CEO of Azure Dynamics said, "We are very pleased that our initial design recommendations have been accepted by DND and now look forward to providing DND with the most cost effective solution to build hybrid military vehicles that fulfill their performance 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 (BC).

### **FOR MORE INFORMATION, CONTACT:**

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