



News Release

AZURE DYNAMICS ANNOUNCES APPOINTMENT OF INVESTOR RELATIONS FIRM AND ISSUANCE OF STOCK OPTIONS

Toronto, Ontario — January 16, 2004

[Azure Dynamics Corporation](#) ("Azure" or the "Company") ([TSX Venture Exchange: AZD](#)), a leading developer of hybrid electric powertrains for commercial vehicles is pleased to announce the appointment of Harbour Financial Inc. to provide investor relations support to the Company.

"Azure has significantly broadened its shareholder base over the past year and is looking forward to the focussed service that Harbour Financial can provide to the Company to support current and future investors," said D. Campbell Deacon, Deputy Chairman and CEO of Azure.

Brian Barbour President and CEO of Harbour Financial said "We are very pleased to be asked on to the already successful Azure team. This is clearly a highly motivated professional organization with an infectious sense of purpose and the ability to deliver significant technology immediately."

The company has retained Harbour Financial for a twelve-month engagement, commencing January 15, 2004, subject to an initial performance review period. Azure has granted 250,000 performance based stock options to Harbour, with an exercise price of \$0.70, subject to applicable regulatory approval. The options have a one-year term and begin to vest after the satisfaction of the initial performance review period over the remainder of the engagement term.

The Company also announced the grant, effective January 1, 2004, subject to applicable regulatory and shareholder approvals, of options to directors and officers of the Company as follows:

- 328,847 stock options to non-executive directors in lieu of annual directors fees;
- 880,000 stock options to executive directors and officers in respect of annual compensation awards.

The options are issued pursuant to the Company's stock option plan (subject to shareholder approval), have an exercise price of \$0.65, five-year terms, and are subject to applicable vesting provisions. The Company also issued 42,307 common shares to Hydro-Quebec CapiTech Inc., subject to applicable regulatory approvals, in lieu of annual director's fees in respect of its Azure Board representation.

[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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