



News Release

AZURE DYNAMICS ANNOUNCES AGREEMENT WITH LEYLAND PRODUCT DEVELOPMENT AND ZEBRA BATTERIES

Vancouver, BC – February 05, 2004

[Azure Dynamics Corporation](#) ("Azure") ([TSX Venture Exchange: AZD](#)), a leading developer of hybrid electric powertrains for commercial vehicles is pleased to announce a demonstration agreement with Leyland Product Development ("LPD") and Zebra Batteries ("Zebra").

Azure and LPD, in cooperation with Zebra Batteries and a leading European truck manufacturer, are developing an electric van for display and demonstration purposes. Azure will provide an electric powertrain to be retrofitted by LPD. This electric powertrain vehicle will be put on display at the Commercial Vehicle Show in Birmingham, March 23 to 25, 2004. The vehicle will potentially be available as either a utility delivery van or a passenger minibus. After the show, LPD in conjunction with the European truck manufacturer will use the vehicle for demonstration and marketing purposes for a period of approximately nine months.

David Deacon, President and COO of Azure Dynamics said, "We are very pleased with this collaboration with such high quality partners, as it opens the door to a market we believe is currently underserved. Many cities and airports are looking for zero emission and low emission vehicles for application in areas with severe air quality issues. By doing a retrofit on a current production vehicle, it means a zero emission product could be available for these potential customers in the near future."

Based in the UK at Leyland in Lancashire, [Leyland Product Development](#) is a leading independent vehicle design, development and low volume manufacturing company to the bus, truck, special-vehicle and rail industries. With a long history in complete vehicle design and manufacture, LPD's business is based on 'adding value' to make a tangible difference to their clients' businesses.

Based in Derby, England, Beta is the Research & Development centre for the [ZEBRA](#) cell. Beta, the agent for MES-DEA, who manufacture the battery, was formed in 1982 by a group of scientists from the sodium sulphur group at British Rail. Key members of the company have worked together for over 20 years and have gained international recognition for their contributions to the development of both sodium sulphur and ZEBRA batteries.

[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).

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

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