



## News Release

### **AZURE DYNAMICS CORPORATION ANNOUNCES FULLY SUBSCRIBED £1,750,000 PRIVATE PLACEMENT**

Toronto, Ontario – March 2, 2004

[Azure Dynamics Corporation](#) (TSX Venture: AZD) (“Azure” or the “Company”), a leading developer of hybrid electric powertrains for commercial vehicles announced today that it engaged Ludgate Investments Limited (“Ludgate”) to lead a private placement offering to raise gross proceeds of up to £1,750,000 (approximately Cdn. \$4,375,000) on a best efforts basis – the offering is fully subscribed. The offering, which is being made in the United Kingdom and Europe, will consist of up to 4,861,111 common shares of the Company at a price of £0.36 (approximately Cdn. \$0.90). Closing is anticipated to occur on or about March 10, 2004 and is subject to receipt of any necessary regulatory approvals.

As a result of recent developments and initiatives, Management has taken the view that it is prudent to supplement the Company’s cash reserves to facilitate the achievement of certain milestones in a timely manner. The Company therefore intends to use the proceeds of this offering, in whole or in part, to pursue these milestones and for the immediate liquidity and working capital requirements of the Company.

Under the terms of the offering, Ludgate, in its capacity as lead agent, will receive a cash commission equal to 2.5% of the aggregate gross proceeds. In addition, members of the selling group will receive a cash commission equal to 2.5% of the gross proceeds introduced by them.

[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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