



News Release

AZURE DYNAMICS TO RAISE APPROXIMATELY £5,000,000 (CDN\$11,675,000) IN PRIVATE PLACEMENT

Toronto, Ontario — February 15, 2005

[Azure Dynamics Corporation](#) ([TSX – AZD](#) & [LSE - ADC](#)) (“Azure Dynamics” or the “Company”) a leading developer of hybrid electric powertrains for commercial and military vehicles announced today that it is raising approximately £5 million (CDN\$11.675 million), net of expenses, pursuant to a private placement (the “Placing”) of 12,805,000 newly issued common shares (the “Placing Shares”) at a price of 41 pence (approximately CDN\$0.96) per share. The Placing Shares constitute 10 per cent of the Company’s current issued and outstanding share capital. The proceeds of the Placing will provide additional working capital for the Company.

D. Campbell Deacon, CEO of Azure Dynamics, said “I am delighted by the investor response to our £5 million financing. The additional capital will allow Azure to capitalize on opportunities including those becoming available as a result of our recent acquisition of Solectria. The financing strengthens Azure Dynamics financial base, which together with its order book, allows the company to focus on bringing its products to market and expanding sales in the UK, Europe and North America.”

The Placing has been arranged by Numis Securities Limited. The Placing is conditional, inter alia, on the admission of the Placing Shares to AIM becoming effective by no later than 8:00 a.m. on February 28, 2005 (or by such later time and date as Numis Securities Limited and the Company may decide) and on approval by the Toronto Stock Exchange (“TSX”) of the Placing and listing and posting for trading of the Placing Shares on the TSX. The Placing Shares will rank pari passu in all respects with the existing ordinary shares of the Company in issue including the right to receive and retain all dividends and distributions declared, made or paid after the date of admission.

Application has been made for the Placing Shares to be admitted to trading on AIM. It is expected that admission will become effective and dealings will commence on February 21, 2005. Application has also been made to the TSX to approve the Placing and have the Placing Shares listed and posted for trading on the TSX.

[Azure Dynamics Corporation](#) and its group of companies is a world leader in the development and production of hybrid electric and electric commercial and military vehicles and systems. The group estimates it has over 25 million miles of vehicle experience. Azure Dynamics’ operations are based in North America and Europe.

Azure Dynamics is currently working internationally with various partners and customers including Purolator Courier Ltd., Canada Post, DHL, London Taxis International, US Department of Defence, Leyland Product Development, Renault Trucks UK and the United States Postal Service. Azure Dynamics Corporation is a public company trading on the TSX (AZD) in Canada and on AIM (ADC) in the UK. For more company information please visit our website at www.azuredynamics.com.

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

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