



News Release

AZURE DYNAMICS ANNOUNCES MOU WITH SEV GROUP TO PROVIDE POWERTRAIN COMPONENTS AND TECHNOLOGY FOR THEIR ELECTRIC VEHICLES

Toronto, Ontario – February 28, 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 is pleased to announce it has signed a Memorandum of Understanding (“MOU”) with Smiths Electric Vehicles (“SEV”) part of the Tanfield Group, (LSE – TAN) an AIM listed Company based in the UK. The intent of the MOU is to integrate Azure Dynamics powertrain technology including, inverters, traction motors, and specified auxiliaries for application in the electric vehicles SEV currently builds as well as the next generation design of this vehicle. The first vehicle will be available in May 2005 with production units becoming available later in the year. The next generation vehicle, with significantly higher performance parameters, should be available in 2006.

Campbell Deacon, Azure’s CEO said, “We are very pleased with this MOU as SEV Group has over seventy years of experience designing, manufacturing and selling electric vehicles for a wide range of industrial and commercial applications. These vehicles have proven to be very quiet, environmentally sound, economical and reliable”.

Roy Stanley, Chief Executive of the Tanfield Group, said, “Against a background that has seen very little change in electric vehicle technology over the years, our partnership with Azure will enable us to respond to the considerable market opportunities that exist by improving both the performance and the broader perception of electric commercial vehicles”.

[SEV Group Limited](#) is a UK based manufacturing company providing a complete range of electric vehicles, aerial access platforms, and materials handling equipment with comprehensive product support through their fleet maintenance operations and worldwide dealer network. It has a customer base of over 500 users of electric vehicles. For more information of the company please visit www.sev.co.uk

[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.

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