



News Release

AZURE DYNAMICS AND SEV GROUP SIGN SUPPLY AGREEMENT FOR ELECTRIC VEHICLE POWERTRAINS

Toronto, Ontario – June 21, 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 supply agreement with SEV Group Limited (“SEV”), a wholly owned subsidiary of the Tanfield Group, (LSE – TAN) an AIM listed Company based in the UK. The supply agreement between Azure Dynamics and SEV is for one thousand complete electric powertrains to be delivered within a twenty-four month period from the date of the first purchase order. Each powertrain includes the drive, a power steering system, a system controller, a 12VDC supply, and other key driver interface components.

Campbell Deacon, Azure’s CEO said, “We are very pleased to further our relationship with the signing of this supply agreement. SEV Group has been in the electric vehicle business for over seventy years. Their relationship with a very wide range of customers is very beneficial to Azure as we begin to supply the next generation of electric vehicles: a generation which will have more than double the speed and more than double the range.” Mr. Deacon continued to say, “Upon completion of the first phase of the supply agreement we will have delivered more than CDN\$12 million worth of product into the UK market representing a significant advancement in our European business strategy.”

Roy Stanley, Chief Executive of the Tanfield Group, said, “We have an aggressive strategy to market next generation electric vehicles in a number of fields, including airport and delivery vehicles amongst others. We believe our association with Azure Dynamics enables our company to be at the leading edge of performance and practicality in the evolution of zero emissions commercial transport.”

[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 company information please visit www.sev.co.uk

[Azure Dynamics Corporation](#) 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, the US Department of Defense, United States Postal Service, SEV Group Limited, Leyland Product Development, Renault Trucks UK, and London Taxis International. 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 www.azuredynamics.com.

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

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