



News Release

CHARMER-SUNBELT AND AZURE DYNAMICS TO DELIVER CLEAN AIR TO THE BIG APPLE

Toronto, Ontario – June 27, 2005

[Azure Dynamics Corporation](#) (TSX – AZD & LSE - ADC) (“Azure Dynamics” or the “Company”) a leading developer of hybrid electric and electric powertrains for commercial and military vehicles, is pleased to announce the signing of a contract with The Charmer-Sunbelt Group (“Charmer-Sunbelt”) to install a class 7 parallel hybrid electric drive system into two Kenworth T300 delivery trucks. Charmer-Sunbelt is one of the leading distributors of fine wines, spirits, beers, bottled water, and other non-alcoholic products in the United States.

Azure Dynamics will deliver two parallel hybrid delivery trucks to Charmer-Sunbelt. The hybrid trucks will be integrated into Charmer-Sunbelt’s New York City fleet of over 250 delivery trucks and will operate within New York City’s five boroughs and western Nassau County. During their operation the trucks will also be used to document fuel savings and performance characteristics compared to conventional trucks.

Mr. Harry Masi, Charmer-Sunbelt’s Director of Logistics, said, “It is very important for us to look at ways to reduce our exposure to rising fuel prices and maintenance costs. Our owners are also interested in implementing ways to mitigate our impact on the environment and what excites us about these trucks is the potential to do both at the same time.”

“We are pleased to deliver hybrid trucks to this very important market segment,” said Mark Federle, Azure Dynamics’ Vice-President, Sales North America. “There are thousands of trucks this size operating in all of our major cities delivering food, beverages and packaged goods. We expect that Charmer-Sunbelt can achieve up to 40% better fuel economy while reducing maintenance costs by nearly half and emissions by as much as 90%,” added Federle.

The Azure Dynamics parallel hybrid electric drive system consists of an electric AC induction motor, clutch, ultra-capacitor bank, power electronics and accessory equipment. The motor and clutch sit between the vehicles combustion engine and transmission and are used to start and turn off the combustion engine and assist during acceleration and braking. The hybrid control algorithm will turn the combustion engine off during idle periods and launch the truck under all-electric zero-emission mode up to 15 mph.

[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 has operations based in North America and Europe.

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

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

FOR MORE INFORMATION, CONTACT:

Mark Federle, Vice-President, Sales North America 781-932-9009 x 260
Email: mfederle@azuredynamics.com

Steven Glaser, Vice-President, Corporate Affairs (416) 367-0220 x105
Email: sglaser@azuredynamics.com