



News Release

AZURE DYNAMICS RECEIVES FROST AND SULLIVAN 2005 TECHNOLOGY LEADERSHIP OF THE YEAR AWARD AS WELL AS TWO NEW US PATENTS

Toronto, Ontario – July 20, 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 that it is the recipient of the Frost & Sullivan’s 2005 Technology Leadership Of The Year Award for its hybrid electric vehicle controller technologies.

Mr. Campbell Deacon, CEO of Azure Dynamics said "We are very pleased to have been selected by Frost and Sullivan for this prestigious International Award, recognizing Azure's continued progress in the commercialization of its Smart Energy Management Technology for hybrid electric vehicles".

Frost & Sullivan’s 2005 Technology Leadership of The Year Award was awarded to Azure in recognition of the company’s pioneering work on hybrid electric vehicle controller technologies. Azure’s technology is integrated into its hybrid electric and electric powertrains used in the commercial vehicle sector. “The technology is designed to ensure the optimum use of vehicle components (battery, fuel cell, and/or internal combustion engine), thereby lowering production costs and reducing users' operating costs, fuel consumption, and exhaust emissions,” says Frost & Sullivan Research Analyst, Rajesh Kannan.

Frost & Sullivan’s Technology Leadership Award is bestowed upon the company that has pioneered the development and introduction of an innovative technology into the market; a technology that has either impacted or has the potential to impact several market sectors. The award recognizes a company’s successful technology development that is expected to bring significant contributions to the industry in terms of adoption, change, and competitive posture. It also recognizes the leadership of the company in the successful promotion of the technology and its continuing impact in technology commercialization.

Azure Dynamics is also pleased to announce that it has been issued two new patents from the United States Patent Office. The first patent, US patent #6,909,200 B2, describes a process for optimizing system efficiency during braking on series hybrid vehicles. The process manages the interaction between the engine/generator and the traction motor in order to maximize the amount of braking energy recaptured and stored as energy in the battery pack. This efficiency gain directly translates into improved fuel economy, resulting in lower vehicle operating costs.

The second patent, US patent #6,879,054 B2, describes the process for optimizing the efficiency of the generator and engine in a hybrid electric vehicle by determining the best engine and generator operating points to minimize emissions and maximize fuel economy while meeting expected vehicle performance. This results in vehicles that emit fewer pollutants and cost less to operate.

[About Frost & Sullivan:](#) *Frost & Sullivan*, a global growth consulting company, has been partnering with clients to support the development of innovative strategies for more than 40 years. The company’s industry expertise integrates growth consulting, growth partnership services, and corporate management training to identify and develop opportunities. *Frost &*

Sullivan serves an extensive clientele that includes Global 1000 companies, emerging companies, and the investment community by providing comprehensive industry coverage that reflects a unique global perspective and combines ongoing analysis of markets, technologies, econometrics, and demographics. For more information, visit <http://www.frost.com>.

[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, US Department of Defense, United States Postal Service, DHL, 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.

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