



News Release

AZURE DYNAMICS CLOSES FINANCING WITH A LARGE BOSTON-BASED INSTITUTIONAL INVESTMENT ADVISOR

Toronto, Ontario – September 08, 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 has closed the financing that it previously announced on August 24, 2005. The private placement was originally contemplated at CDN\$13.4 million. It has now been capped at slightly over CDN\$11 million in order to conform to the institutional investment advisors internal policies. As a result, the Company has issued 11,050,000 common shares, at a price of CDN\$1.00 per share, raising gross proceeds of CDN\$11,050,000.

Campbell Deacon, Azure’s Deputy Chairman and Chief Executive Officer said, “Azure Dynamics is fortunate that one of the world’s largest investment advisor’s has decided to significantly increase its investment, on behalf of clients, in Azure by way of this financing. The addition of these funds takes Azure’s cash reserves to in excess of CDN\$26 million.”

[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, 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 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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