



News Release

AZURE DYNAMICS RECEIVES CDN\$10.5 MILLION COMPONENTS ORDER

Toronto, Ontario – October 11, 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 has received a CDN\$10.5 million order for components from Engineered Air Systems, Inc. (“EASI”) a subsidiary of Engineered Support Systems, Inc. (Nasdaq: EASI).

Azure will deliver 152 SP-ESS kits including all the power electronics, operator control panels and under the hood export power systems for integration onto the HMMWV by EASI. The order represents the second production contract from EASI to Azure Dynamics to deliver advanced power electronics for integration into the Chemical Biological Protective Shelter (“CBPS-M2”). The first contract was awarded in September 2004 with an approximate value of CDN\$5.7 million. The CBPS-M2 leverages Azure’s electric and hybrid electric technology and components. The product demonstrates the flexibility and interchangeability of Azure’s components in hybrid and electric-based vehicle architecture and bodes well for Azure’s component sales in other related applications. This will have the additional benefit of assisting the Company in achieving higher volume production of components thereby reducing the future cost of hybrid powertrains.

Mark Federle, Azure’s Vice President, Sales stated, “This contract represents a significant advancement for Azure Dynamics as a major supplier of vehicle-based hybrid and export power systems to the military. Azure and EASI have recently submitted a response to a Request For Proposal for up to 1,000 additional CBPS-M2 units.”

The CBPS-M2 was jointly developed by Azure and EASI for military and homeland security applications and provides a clean medical shelter environment in chemically or biologically contaminated areas. The CBPS-M2 is deployed on a High-Mobility Multipurpose Wheeled Vehicle (“HMMWV”) and replaces the existing hydraulic-based system with state-of-the-art electronic-based controls for better efficiency, reliability and maintainability.

Engineered Support Systems, Inc. designs and manufactures integrated military electronics, support equipment and provides technical and logistics services for all branches of America’s armed forces and certain foreign militaries, homeland security forces and selected governmental and intelligence agencies. The Company also produces specialized equipment and systems for commercial and industrial applications. For more information on Engineered Support Systems please visit their website at <http://www.engineeredsupport.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' 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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