



News Release

AZURE DYNAMICS DELIVERS ALL-ELECTRIC CITIVANS TO USPS IN NEW YORK

Toronto, Ontario – October 26, 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 sold two new zero-emission, all-electric Azure CitiVans to the New York Power Authority (“NYPA”) and delivered them to the United States Postal Service (“USPS”) fleet serving the Flushing Post Office in Queens, New York.

Azure CitiVans are two-ton delivery trucks, replacing diesel powered trucks used to transport mail and bulk packages between central distribution facilities and neighborhood post boxes serving the Flushing, Queens neighborhood. New York City Council member John Liu, District Postmaster Lily Jung Burton and NYPA Director of Public and Governmental Affairs Joseph Leary, representing Chief Operating Officer Timothy S. Carey, were on hand today as the trucks were unveiled at the Main Post Office.

These vehicles are the first of their kind to be used in Queens and were especially sought by Liu to help address air quality concerns in Queens. NYPA has supplied funding for 30 Azure electric delivery trucks already in service at postal facilities elsewhere in New York City.

“The New York Power Authority and the U.S. Post Office are to be congratulated for implementing this innovative technology, which will be crucial in our post-Katrina economy. By eliminating almost 5,000 pounds of carbon dioxide and 32 pounds of nitrogen a year, each Azure CitiVan will help New Yorkers breath cleaner air and contribute to a reduction in our nation's reliance on fossil fuels,” said Councilman Liu who chairs the New York City Council’s Transportation Committee.

“The Postal Service continues its role as a leader in alternative fuel transportation. Our commitment to a cleaner environment, without compromise to dependable mail service, is evident by its deployment of these electric vehicles for Queens,” said Postmaster Lily Jung Burton. “We want to thank NYPA and Azure for providing dependable emission-free vehicles for our use.”

The CitiVan by Azure has a range of 40 miles on a complete charge, with a top speed of 60 miles per hour. To improve overall energy efficiency each vehicle has regenerative braking to capture lost energy while braking. Over the course of a year each truck will eliminate about 4,833 pounds of carbon dioxide, 32 pounds of nitrogen oxide and one pound of particulate matter. There are currently 55 Azure CitiVans in service.

“Electric drive vehicles are ideally suited for delivery applications in an urban environment where air quality and noise reduction affect the overall quality of life. NYPA’s clean transportation program has played a prominent role delivering on Governor Pataki’s commitment to introduce clean transportation alternatives,” said Carey.

“We are very pleased to assist the New York Power Authority and the United States Postal Service in their continuing efforts to improve the quality of the air in Queens” said Mark Federle, Vice-President, Sales of Azure Dynamics. “Working with NYPA, Azure identified additional opportunities where our electric drive vehicles can continue to have a positive effect on the streets of New York.”

“Under the leadership of Governor George Pataki, New York State is vigorously working to cut dependence on imported oil through increased reliance on clean transportation technologies. These electric postal vehicles are part of that effort,” said NYPA President and Chief Executive Officer Eugene W. Zeltmann.

NYPA is a recognized national leader in the promotion and demonstration of electric drive technologies. With the inclusion of the new Azure CitiVans, NYPA has now helped place 17 electric or hybrid-electric vehicles in service in Queens. Two-hundred electric drive vehicles are in service in New York City. Statewide the total exceeds 770 vehicles for state university colleges, local governments, community organizations and public parks and recreation areas.

NYPA is the nation’s largest state-owned provider of electricity and supplies approximately 22 percent of the state’s electricity. In New York City, NYPA supplies power for public schools, hospitals, subway and portions of the Long Island Railroad commuter train systems.

[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.

- 30 -

FOR MORE INFORMATION, CONTACT:

Mark Federle, Vice-President, Sales (781) 932-9009
Email: mfederle@azuredynamics.com

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