



News Release

AZURE DYNAMICS ADVANCES STRATEGIC REVIEW

Toronto, Ontario – March 30, 2006

[Azure Dynamics Corporation](#) ([TSX: AZD](#) & [LSE: ADC](#)) (“Azure” or the “Company”) a leading developer of hybrid electric and electric powertrains for commercial and military vehicles, today announced that it has retained the international investment bank Rothschild to advise and assist it in a review of strategic options available to the Company.

Campbell Deacon, Deputy Chairman and Chief Executive Officer said “The hybrid industry is rapidly gathering momentum and Azure Dynamics, as one of only a handful of independent hybrid vehicle integrators, is ideally positioned to take advantage of that momentum. Over the past few months Azure has had discussions with a number of parties regarding potential strategic relationships and partnerships. Recognising the Company’s position, Azure’s Board of Directors established a Strategic Committee with the objective of leveraging the value of the Company’s technology. The Board’s view is that one or more partners can help accelerate Azure’s market penetration and can provide access to non-core expertise, specifically supply chain management and execution expertise to transition from pre-production to high volume assembly.”

“Azure Dynamics is at a critical point in its development,” said Deacon. “While Azure on its own can successfully integrate our hybrid solutions into several commercial applications, in order to fully exploit our core competencies through the whole range of opportunities now available, a strategic partnership or alliance could accelerate this transition. With growing demand for hybrid technology in the automotive/truck market, the timing is right for the formation of partnerships that can align industry innovation and resources to the mutual benefit of the respective parties. We will endeavour to find the best strategic fit to crystallize Azure’s potential and maximize value for its shareholders.”

No timetable has been set for the completion of the strategic review. There can be no assurance that the review will result in any specific strategic or financial transaction.

[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’s operations are based in North America and Europe.

Azure is currently working internationally with various partners and customers including Purolator Courier Ltd., Canada Post, U.S. Department of Defense, United States Postal Service, Tanfield Engineering Systems, Ltd., EASI, and AM General. Azure Dynamics Corporation is a public company trading on the TSX (AZD) in Canada and on the 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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NOTE: The foregoing information may contain forward-looking statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results to be materially

different from any future results, performance or achievements expressed or implied by such statements. Such factors include, but are not limited to: the ability to raise the capital required for product development and operations, product development delays, changing environmental regulations, the ability to attract and retain business partners, competition from other developers of hybrid electric vehicle control systems, competition from other advanced or existing power technologies, evolving markets for power for transportation vehicles. These factors should be considered carefully and readers should not place undue reliance on Azure's forward-looking statements. Investors are encouraged to review the risks detailed from time to time in the company's filings with regulatory authorities.

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