



## News Release

### U.S. POSTAL SERVICE TO UNVEIL AZURE DYNAMICS' PARALLEL HYBRID DELIVERY VEHICLE AT LAUNCH EVENT IN BOSTON

Toronto, Ontario – May 16, 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, is pleased to announce that the United States Postal Service (“USPS”) will unveil its first parallel Hybrid Electric Delivery Vehicle, powered by Azure’s proprietary hybrid electric powertrain, at a special launch event today in Boston, Massachusetts.

The USPS event will showcase hybrid technology in USPS fleet vehicles and how this technology helps to reduce: fossil fuel reliance; vehicle life-cycle costs; and vehicle emissions to help contribute to a cleaner environment. The event will be attended by many invited guests including industry representatives, environmentalists, Postal Service employees as well as senior representatives from Azure Dynamics. For more information on the event, please see the USPS press announcement or website at:

<http://www.usps.com/communications/community/environmental.htm>.

Since 1775, the [United States Postal Service](#) and its predecessor, the Post Office Department, have connected friends, families, neighbors, and businesses by mail. An independent federal agency that visits more than 144 million homes and businesses every day, the Postal Service is the only service provider delivering to every address in the nation. It receives no taxpayer dollars for routine operations, but derives its operating revenues solely from the sale of postage, products, and services. With annual revenues of \$70 billion, it is the world’s leading provider of mailing and delivery services, offering some of the most affordable postage rates in the world. The U.S. Postal Service delivers more than 46 percent of the world’s mail volume—some 212 billion letters, advertisements, periodicals, and packages a year—and serves seven million customers each day at its 37,000 retail locations nationwide.

[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, United States Postal Service, Smith Electric Vehicles, Engineered Support Systems, Inc. and AM General LLC. 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](http://www.azuredynamics.com).

*The TSX and LSE Exchanges do not accept responsibility for the adequacy or accuracy of this release.*

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