



News Release

STARTRANS DEALERS SIGN WITH AZURE DYNAMICS

Toronto, Ontario – January 11, 2007 – Azure Dynamics Corporation (TSX: AZD & LSE: ADC) (“Azure” or the “Company”), a leading developer of hybrid electric and electric powertrains for commercial vehicles, today announced with its shuttle bus partner StarTrans, a business division of Supreme Corporation (AMEX: STS), that it has signed nine bus distributors across North America for the marketing and sales of the CitiBus Hybrid Senator HD (“CitiBus”) hybrid electric shuttle buses.

Azure estimates that approximately 70% of the targeted shuttle bus market in the US and Canada is covered by this distributor network. The distributors are:

- Arcola Bus Sales – New York City Region, New Jersey, Eastern Pennsylvania
- Colonial Equipment Co. - Maryland, Delaware, Washington D.C.
- EK Coaches - Washington, Oregon, Idaho
- First Bus Centre - British Columbia, Alberta, Yukon, Saskatchewan, Manitoba
- Florida Bus Unlimited - Florida
- Matthews Buses - Upstate New York, Connecticut, Rhode Island, Massachusetts, Maine, New Hampshire, Vermont
- Mid South Bus Center, Inc. – Tennessee
- Sonny Merryman, Inc. – Virginia
- Transportation South, Inc. – Alabama, Georgia, Louisiana, Mississippi

Azure’s CitiBus cab-chassis utilizes the same G1 Series hybrid chassis currently in production and operation with delivery van fleets such as Purolator Courier Ltd. The CitiBus cab-chassis integrates an International 3200 cab with Azure’s newly developed front nose and a Workhorse chassis. Azure’s hybrid systems offer significant fuel and maintenance savings for shuttle bus operators. In testing, Azure’s hybrid delivery vans have demonstrated nearly a 50% reduction in fuel consumption on a mile per gallon basis in city driving compared to conventionally powered delivery vans.

StarTrans’s Senator HD “Heavy-Duty” body utilizes a strong fibreglass-reinforced panel (FRP) skin which encases a rugged steel cage for optimal safety. StarTrans is known for their smooth styling, passenger comfort and convenience, spacious interior and windows, engineering excellence and quality construction.

About StarTrans

Supreme Corporation’s StarTrans Bus Division came into existence in 1983. Since then, StarTrans has grown to be one of the leaders in commercial bus manufacturing. StarTrans markets 32 models of transit and tour buses, with passenger capacities ranging from seven up to 42 and offers various wheelchair placements. StarTrans has two manufacturing facilities, one in Goshen, Indiana and the newest in Moreno Valley, California. The company is strongly committed to building quality products, having successfully completed commercial testing for 17 buses at the Federal Transit Administration’s Altoona Bus Testing Center. StarTrans is an ISO 9001:2000 certified manufacturer. For more information, please visit www.startransbus.com.

About Azure Dynamics

[Azure Dynamics Corporation \(TSX: AZD\) \(LSE: ADC\)](#) is a world leader in the development and production of hybrid electric and electric components and powertrain systems for commercial vehicles. Azure is strategically targeting the commercial delivery vehicle and shuttle bus and is currently working internationally with various partners and customers including: Purolator Courier Ltd., United States Postal Service, Canada Post, Ford Motor Company, Smith Electric Vehicles, Workhorse Custom Chassis, Productive Concepts Inc., StarTrans and AM General LLC. The Company is committed to providing customers and partners with innovative, cost-efficient, and environmentally-friendly energy management solutions. Azure Dynamics' operations are based in North America and Europe.

For more information please visit www.azuredynamics.com.

The TSX and LSE Exchanges do 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.

FOR MORE INFORMATION, CONTACT:

Steven Glaser, Vice-President, Corporate Affairs (416) 367-0220 ext 105
Email: sglaser@azuredynamics.com