



News Release

AZURE DYNAMICS' HYBRID SHUTTLE BUS SUCCESSFULLY COMPLETES ALTOONA TESTING

Oak Park, Michigan – November 29, 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 it has successfully completed the durability testing at the U.S. Government's bus certification test facility in Altoona, Pennsylvania. The successful completion of this test qualifies Azure's gasoline hybrid drive system for federally-supported hybrid bus purchases by public transit agencies across the United States.

Scott Harrison, Azure's Chief Executive Officer said, “This test demonstrates, on an accelerated time frame, the ability of Azure's hybrid system to withstand the rigors of operating in a demanding urban transit bus environment for seven years.” Mr. Harrison went on to say, “With this federal funded program now in place, U.S. shuttle bus operators can cost effectively adopt an environmentally cleaner hybrid shuttle bus solution.”

Azure Dynamics series hybrid electric shuttle bus uses an electric motor as the only means of driving the wheels. The motor obtains electricity from one of two sources, a battery pack or an on-board generator powered by the engine. The batteries in a hybrid electric vehicle are recharged by the engine/generator (genset) as well as regenerative energy which is captured during braking. Dependant on drive cycle, Azure's hybrid electric shuttle bus reduces fuel consumption by up to 40%, reduces maintenance costs by 25% and is anti-idle compliant.

About Altoona Bus Testing Program

The FTA New Model Bus Testing Program is designed to promote the production of better transit vehicles and components and to ensure that transit customers purchase safe vehicles able to withstand the rigors of transit service. The program was established in response to legislation included in the 1987 Surface Transportation and Uniform Relocation Assistance Act. This legislation required all new and modified bus models to be tested before being purchased with federal funds. The Altoona Bus Testing and Research Center was established in 1989. The Pennsylvania Transportation Institute (“PTI”) operates and maintains the facility on behalf of FTA. PTI provides all management, administrative, technical and support staff, facilities, instrumentation, equipment, and materials necessary to test new bus models for maintainability, reliability, safety, performance, structural integrity, fuel economy, emissions, noise, and related technical support.

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 markets and is currently working internationally with various partners and customers. The Company is committed to providing customers and partners with innovative, cost-efficient, and environmentally-friendly energy management solutions.

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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Forward-looking Statements

This press release contains forward-looking statements. More particularly, this press release contains statements concerning Azure's business development strategy, projected commercial revenues and product deliveries.

The forward-looking statements are based on certain key expectations and assumptions made by Azure, including expectations and assumptions concerning achievement of current timetables for development programs, target market acceptance of Azure's products, current and new product performance, availability and cost of labour and expertise, and evolving markets for power for transportation vehicles. Although Azure believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Azure can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with Azure's early stage of development, lack of product revenues and history of losses, requirements for additional financing, uncertainty as to commercial viability, uncertainty as to product development and commercialization milestones being met, uncertainty as to the market for Azure's products and unproven acceptance of Azure's technology, competition for capital, product market and personnel, uncertainty as to target markets, dependence upon third parties, changes in environmental laws or policies, uncertainty as to patent and proprietary rights, availability of management and key personnel, and acquisition integration risk. These risks are set out in more detail in Azure's annual information form which can be accessed at www.sedar.com.

The forward-looking statements contained in this press release are made as of the date hereof and Azure undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

FOR MORE INFORMATION, CONTACT:

Dean McGrew, Vice-President, Business Development (781) 932-9009
Email: dmcgrew@azuredynamics.com

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

David Shapton, Tel: +44 207 260 1312,
Numis Securities Limited, Nominated Adviser to the Company