



News Release

AZURE DYNAMICS SIGNS FLORIDA POWER & LIGHT AS FOURTH LEAD CUSTOMER FOR PARALLEL HYBRID

Oak Park, Michigan – December 18, 2007 – Azure Dynamics Corporation (TSX: AZD & LSE: ADC) (“Azure” or the “Company”), a leading developer of hybrid electric and electric powertrains for commercial vehicles is pleased to announce it has signed a commercial development and cooperation agreement with Florida Power and Light (“FPL”), a wholly owned subsidiary of FPL Group (NYSE: FPL). Azure will deliver a gasoline parallel hybrid electric Ford E-450 based vehicle for industry viability validation, testing and demonstration within the FPL fleet.

Scott Harrison, Azure’s Chief Executive Officer said, “Florida Power and Light continue to show their environmental leadership by working with Azure to test and verify the environmental and economic benefits of hybrid drive technology.” Mr. Harrison went on to say, “Adding a utility with the national reputation of FPL verifies the versatility and broad application of our hybrid electric Ford E-450 based solution. We couldn’t be more pleased to have them on-board as our fourth lead customer.”

The parallel hybrid electric demonstration vehicle will be used to verify the fuel economy improvements, emissions reductions and maintenance cost savings that can be achieved using Azure’s patented technology. Successful completion of the program will result in the company becoming a lead customer for Azure’s hybrid technology on the Ford E-450 chassis. FPL currently runs a fleet of approximately 3,400 vehicles.

About FPL Group

FPL Group, with annual revenues of nearly \$16 billion, is nationally known as a high quality, efficient, and customer-driven organization focused on energy-related products and services. With a growing presence in 27 states, it is widely recognized as one of the country’s premier power companies. Its principal subsidiary, Florida Power & Light Company, serves 4.5 million customer accounts in Florida. FPL Energy, LLC, an FPL Group competitive energy subsidiary, is a leader in producing electricity from clean and renewable fuels. For more information please visit www.FPLGroup.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 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.

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.

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