



AZURE DYNAMICS SIGNS NEW SALES & SERVICE AGREEMENTS WITH FORD DEALERSHIPS

Oak Park, Michigan – August 14, 2008 – Azure Dynamics Corporation (TSX: AZD, LSE: ADC & OTCQX: AZDDF) – (“Azure” or the “Company”), a leading developer of hybrid electric and electric powertrains for commercial vehicles, announced today it has signed Sales & Service agreements with two additional Ford dealerships: Northside Ford in San Antonio, TX and Carmenita Ford in Los Angeles, CA.

“These additional dealerships are exceptionally well-suited to represent Azure. They boast deep roots in the markets they serve, together with long standing relationships with customers in the local, state and federal government,” said Jay Sandler, Azure Dynamics’ Vice President of Sales.

“Moreover, as we continue to grow our dealer business, we have been seeking an experienced sales executive to support our team and provide strategic counsel and we’ve found that with Ray Crews,” continued Sandler.

Ray Crews, a former Ford Motor Company Commercial Fleet Sales Manager, will be assisting the Azure sales team in its effort to enroll Ford dealerships in key markets across the United States. Crews retired from Ford in 1999 as the Commercial Fleet Truck Sales Manager for North American Fleet Operations. Prior to that, he served as the National Fleet Sales Manager for the Ford Heavy Truck Division.

The new dealership agreements are part of Azure’s effort to enlist approximately 50 dealers over the next year in major metro markets in the United States and Canada to broaden its distribution network for its Balance™ Hybrid Electric Vehicle. The dealerships will maintain inventory of ready to deliver Cube Vans and Walk-in Vans equipped with Azure’s Balance™ Hybrid Electric powertrains. These two newly signed dealerships are located in the high volume markets of San Antonio and Los Angeles.

The Balance™ Hybrid Electric system is integrated on Ford’s E450 Cutaway and Strip Chassis drive system utilizes a conventional 5.4 liter Triton gasoline engine and the 5-speed automatic TorqShift transmission. The hybrid powertrain features electric-launch assist, engine-off at idle and at below 20 miles per hour, while electronically supporting key ancillary functions like air conditioning, power steering and braking. The powertrain can improve fuel economy by up to 40%, while reducing carbon emission by up to 30% in city conditions.

For more information about Azure Dynamics and its family of hybrid electric and electric commercial vehicles, please visit www.azuredynamics.com.

About Azure Dynamics

[Azure Dynamics Corporation](http://www.azuredynamics.com) (TSX: AZD) (LSE: ADC) (OTCQX: AZDDF) 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.

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