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Azure Dynamics Corporation

Azure Dynamics signs supply agreement with Electro Autos of Mexico for 1,000 electric vehicle systems

TORONTO, April 9 /CNW/ - 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 signed a supply agreement with Electro Autos Eficaces of Mexico ('EAE').

The initial order is for 1,000 drive systems for integration into the Nissan Tsuru platform, which is commonly used in the municipal fleet of Mexico City. The Tsurus are being converted from gasoline powered vehicles to electric vehicles as part of Mexico City Mayor Marcelo Ebrard's initiative to improve air quality and general health and quality of life in the city. Mayor Ebrard will drive the first converted vehicle to the International Electric Vehicle Forum on May 8, 2007 in Mexico City. The balance of the 1,000 vehicles will be converted over the following 18 months. Azure's scope of supply for the 1,000 drive systems includes the motor, controller, gearbox and DC-DC converters and is valued at more than CDN\$7.0 million.

Campbell Deacon, Azure's CEO said, 'We are very pleased to have our product chosen for this program. EAE's business has been established to deliver electric vehicle transportation to both the public and private sectors in Mexico City with a goal of expansion throughout all of Mexico. We believe our technology, cost competitiveness and reliability have factored into EAE's selection of Azure Dynamics for this program.'

EAE's Luis PÃ©rez Quintana stated, 'Mexico City currently operates over 25,000 Nissan Tsurus to conduct government business throughout the city. Converting the first 1,000 Tsurus of the existing fleet into electric vehicles, shows the City's commitment to providing an immediate response to the Climate Change challenge. Mexico City is the third largest city in the world with a population of approximately 25 million people. The newly elected mayor, Marcelo Ebrard, has set a Sustainable City criteria for his tenure, making the environment and clean transportation a major part of his governing platform.'

The agreement also includes the potential for Azure to supply a broad range of electric and hybrid electric drive systems and components for various other vehicle applications in Mexico.

About Electro Autos Eficaces S.A. de C.V.

Electro Autos Eficaces is a Mexican corporation whose goal is the integration of the world's best technologies into zero emission transportation solutions for Mexico, with a clear focus on creating job opportunities with the application of such technologies. Based in Mexico City, EAE provides both EV solutions and the specialized training to make them available to the general public in the short term.

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. 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.

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.

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