



Azure Dynamics Wins DOE Award To Develop Next Generation Traction Inverter

DOE to provide Azure \$5.4 million over four years in support of program

"Fourth Generation" traction inverter to be integrated into Azure's patented electric powertrains with expected 60% cost, weight and volume advantages compared to current technology

Azure taps Ford Motor Company and other partners to support program development

OAK PARK, MI, Aug. 11, 2011 /PRNewswire/ - Azure Dynamics Corporation (TSX: AZD)(OTC: AZDDF) ("Azure" or the "Company"), a world leader in the development and production of hybrid electric and electric components and powertrain systems for light and medium duty commercial vehicles, today announced it has received an award from the Department of Energy (DOE) to develop a traction system to be used in future Azure products including the recently announced Ford F-Series Super Duty cab and chassis PHEV program. As part of the DOE award, Azure will receive \$5.4 million over four years to support the program development. Azure expects the new traction inverter will be commercial available in early 2016.

"We are extremely pleased to have been selected by the DOE to receive this award, which is indicative of our innovative electrification expertise and know-how," said Scott Harrison, Azure's CEO. "By dramatically improving the cost, weight and volume characteristics, our new traction system is expected to be rapidly adopted throughout our commercial vehicle base and keep Azure technology at the cutting edge of electrified transportation."

In addition to the performance and economic advantages, the system is expected to be ready for next generation wide-bandgap semi-conductors bringing significantly improved efficiency and thermal performance to electrified vehicles. The award will allow Azure to continue developing its Third Generation traction system currently in development for the initial F-Series Super Duty program expected to be commercially available in 2013. Azure plans to engineer the next generation inverter technology in a parallel path and expects to identify additional synergies between the two traction system projects as it proceeds with development activity.

Consistent with Azure's strategy to partner with market leading companies to develop best in class technology solution, Azure will work several partners, including Ford Motor Company to assist with requirements definition thereby ensuring alignment with their vehicle roadmap.

About Azure Dynamics

Azure Dynamics Corporation (TSX: AZD)(OTC: 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 a variety of 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 on how Azure Dynamics products are

Driving a World of Difference, please visit www.azuredynamics.com.

The TSX Exchange does not accept responsibility for the adequacy or accuracy of this release.

###

Forward-Looking Statements Advisory

Certain information included in this press release constitutes forward-looking statements and information and future-oriented financial information under applicable securities legislation and is provided for the purpose of expressing management's current expectations and plans for the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes, such as making investment decisions.

More particularly, this press release contains statements concerning Azure's anticipated: business development strategy and product deliveries. The forward-looking statements are based on a number of key expectations and assumptions made by Azure, including expectations and assumptions concerning achievement of current timetables for development programs and sales, target market acceptance of Azure's products, current and new product performance, availability and cost of labor and expertise, and evolving markets for power for transportation vehicles. Although Azure believes that the expectations and assumptions used to develop the forward-looking statements 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 numerous risks and uncertainties that contribute to the possibility that the projections and forecasts in the forward-looking statements will not occur and that actual performance or results could differ materially from those anticipated in the forward-looking statements. These risks and uncertainties include, but are not limited to, the risks associated with Azure's stage of development, history of losses and lack of historical product revenues, uncertainty as to product development and sales milestones being met, product defect and performance risks, competition for capital and market share, uncertainty as to target markets, dependence upon third parties, changes in environmental laws or policies, uncertainty as to patent and proprietary rights, availability and retention of management and key personnel, exchange rate and currency fluctuations, uncertainties relating to potential delays or changes in plans with respect to product development or capital expenditures, the ability of Azure to access sufficient capital on acceptable terms, and environmental and safety risks. This is not an exhaustive list and additional information on these risks and other factors that could affect Azure's operations and financial results are included in reports on file with the Canadian securities regulatory authorities and can be accessed through the SEDAR website 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. Additionally, Azure undertakes no obligation to comment on the expectations of, or statements made by, third parties about Azure.

SOURCE Azure Dynamics Corporation

Links referenced within this article

www.azuredynamics.com
<http://www.azuredynamics.com>
www.sedar.com
<http://www.sedar.com>

Find this article at:

<http://www.prnewswire.com/news-releases/azure-dynamics-wins-doe-award-to-develop-next-generation-traction-inverter-127521153.html>

☒ Uncheck the box to remove the list of links referenced in the article.