



Azure Dynamics ForceDrive™ Technology Powers Li-Ion Motors' Wave II to Prestigious 2010 X PRIZE Victory

Oak Park, Michigan - September 16, 2010 – The advanced energy transportation universe turned its collective attention to Washington D.C. today for the final results of the 2010 Progressive Insurance Automotive X PRIZE Competition. The intense multi-stage competition pitted some of the world's most fuel efficient vehicles against one another in a quest to win a share of the \$10 million prize purse. At the final bell, it was Li-Ion Motor Corp's Wave II featuring Azure Dynamics' ForceDrive™ powertrain that had earned the \$2.5 million first place award in the competitive Alternative Side-by-Side Class.

Azure Dynamics Corporation (TSX: AZD)(OTC:AZDDF) has integrated its advanced powertrains in more than 40 different vehicles and has over 25 million miles of real word experience.

"X PRIZE vehicles feature the best of tomorrow's technology in today's solutions," said Jay Sandler, Azure's vice president of sales. "We're thrilled with Team Li-Ion's victory. The X Prize-winning Wave II is clear demonstration that electric mobility has not only arrived, but is poised to be a major player in the commercial and personal transportation sectors in the near term."

The Progressive Insurance Automotive X PRIZE, a \$10 million competition to inspire a new generation of super fuel efficient vehicles, required each vehicle to pass a series of technical inspections and on-track Efficiency, Range and Dynamic Safety events conducted by the competition's technical team and auto test engineers from partners Consumer Reports and the U.S. Department of Energy's Argonne National Laboratory.

Li-ion Motors' WAVE II is a U.S.-built vehicle specifically constructed for maximum energy efficiency.

The most recent XPrize competitive test stage completed in July featured five vehicles in the alternative side-by-side class competing on the giant oval at Michigan International Speedway for the Combined Performance and Efficiency Test. In this competition, vehicles had to travel 50 laps around the Speedway's 2-mile track, covering a full 100 miles as fast as possible, without exceeding 70mph nor going any slower than 45mph. There was one twist: One each lap, the vehicles had to navigate a "chicane" that would force each car to brake, turn, and accelerate to race speed. The total time to complete the course and each vehicle's fuel efficiency, measured as MPGe, were critical factors in determining the winning vehicle. At the end of the race, Team Li-Ion had finished first by a narrow 0.179 seconds! During the race, Team Li-Ion posted a very respectable 125 MPGe.

For more information on how Azure Dynamics products are Driving a World of Difference, please visit www.azuredynamics.com.

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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 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.

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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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