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## **Clean Diesel Completes Rigorous Testing of New Diesel Emission Control System Jointly Developed with Mitsui Subsidiary**

### **Receives Preliminary Posting to EPA Diesel Retrofit Website**

STAMFORD, CT (January 22, 2004) ... Clean Diesel Technologies, Inc. (CDT) (EBB:CDTI & AIM:CDT/CDTS) announced today that it had completed testing of its new fuel-borne catalyst (FBC) and catalyzed wire-mesh filter (CWMF) diesel-emission reduction system under the rigorous Environmental Technology Verification (ETV) protocol established by the US Environmental Protection Agency (EPA) to verify retrofit technology. The FBC/CWMF system uses CDT's patented Platinum Plus(R) fuel-borne catalyst and a proprietary catalyzed wire-mesh filter supplied by PUREarth, Inc. a wholly owned subsidiary of Mitsui & Co. Ltd.

Under the ETV Program, suppliers of commercial diesel retrofit technologies are required to sign a contract with EPA's third-party administrator to conduct a detailed engine test program at an independent EPA approved lab. Completion of testing by CDT has been noted on the EPA Voluntary Diesel Retrofit Program website (<http://www.epa.gov/otaq/retrofit/retroverifiedlist.htm>) and final emission-reduction results will be posted to the website once EPA and the third-party administrator complete their final review of the data.

CDT and PUREarth have been working since December 2002 on several programs to verify the emission-reduction performance of PUREarth's CWMF and CDT's Platinum Plus FBC. As previously announced, two earlier engine test programs conducted at Southwest Research Institute (SwRI) have shown particulate reductions of 65 to 70 percent with hydrocarbons (HC) and carbon monoxide (CO) reductions of over 75 percent. Reductions of greater than 50 percent reduction in particulate matter can qualify as a level two verification under the California Air Resources Board (CARB) Diesel Risk Reduction program targeting retrofit controls to over 1.2 million engines. Verification by EPA is also required for funding under a number of state and federal retrofit programs.

During 2003 several FBC/CWMF systems were placed in commercial service on refuse trucks in California and beverage delivery trucks in Texas using automatically dosed FBC-treated fuel. These applications represent the toughest conditions for a filter due to low exhaust temperatures and higher soot emissions from older, dirtier engines built in 1990-1993. The FBC reduces engine-out soot by 15-25 percent and assists in further oxidizing soot that collects in the specially catalyzed CWMF. This prevents plugging of the filter with soot even at low exhaust temperatures.

Under a previously announced Memorandum of Understanding, initially PUREarth will manufacture the CWMF devices in Japan and CDT will provide application engineering and marketing in the US, as well as selling and distributing the FBC. CDT is also managing the CARB and EPA verification programs. CDT and PUREarth are continuing discussions with several potential marketing and distribution partners in the US to address both the retrofit and new vehicle market for diesel particulate reduction. To begin with the FBC/CWMF system will be targeted at school bus fleets, delivery vehicles and refuse trucks.

CDT previously verified its Platinum Plus Purifier (FBC/DOC) system for 40-50 percent particulate reduction in October 2003 under the ETV program, and the FBC/CWMF system will extend the emission reduction to the next higher level of performance at a lower cost than traditional heavily catalyzed filter systems.

Environmental Technology Verification Program is a registered trademark of the US EPA. More information on the Program can be found at [www.epa.gov/etv/](http://www.epa.gov/etv/).

About Mitsui & Co., Ltd.

Mitsui & Co., Ltd. is one of world's largest and most diversified international trading companies, with business extending from chemicals to steel and metals to transportation machinery. Its Inorganic Chemical Group, together with a unit of Mitsui & Co. (USA), Inc., Mitsui's wholly-owned U.S. subsidiary headquartered in New York City, is working with several industrial partners active in engineering, fuels and heavy-duty vehicles to address diesel engine emissions in Japan. Mitsui has formed a wholly owned subsidiary, PUREarth to address diesel particulate emissions and has a 50 percent ownership in Denox Inc. focused on diesel NOx control. Mitsui also holds the exclusive license on CDT's ARIS NOx control technology for Japan.

About Clean Diesel Technologies, Inc.

Clean Diesel Technologies, Inc. is a specialty chemical company with patented products that reduce emissions from diesel engines while simultaneously improving fuel economy and power. Products include Platinum Plus(R) fuel catalysts, the Platinum Plus Purifier System, and the ARIS(R) 2000 urea injection systems for selective catalytic reduction of NOx. Platinum Plus and ARIS are registered trademarks of Clean Diesel Technologies, Inc. For more information, visit CDT at [www.cdti.com](http://www.cdti.com) or contact the Company directly.

Certain statements in this news release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known or unknown risks, including those detailed in the Company's filings with the Securities and Exchange Commission, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

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