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## **Clean Diesel Technologies Extends License Agreement with Mitsui & Co., Ltd for ARIS NOx Reduction System**

### **Investigating Particulate Reduction Performance of CDT's Platinum Plus**

STAMFORD, CT (January 27, 2003) . . . Clean Diesel Technologies, Inc. (CDT) (EBB:CDTi & AIM:CDT/CDTS) announced today that it had signed a definitive Amendment to its earlier Agreement with Mitsui & Co., Ltd. to extend the exclusive license for its ARIS(R) urea selective catalytic reduction (SCR) nitrogen oxide (NOx) reduction system to cover mobile applications in Japan. The original Agreement signed in July 2001 granted Mitsui the exclusive license for use of CDT's patented ARIS NOx reduction technology to stationary applications in Japan, including diesel power generators and industrial boilers. In addition to stationary applications, Mitsui and CDT have been cooperating to expand the use of the ARIS technology to mobile applications and the Amendment expands Mitsui's exclusive license to cover buses, trucks, automobiles and off-road diesel powered equipment in Japan.

In order to address the market Mitsui has formed two new companies. PUREarth, 100 percent owned by Mitsui and already active in the manufacturing and sales of Diesel Particulate Filters (DPF), will be fully responsible for the development of the Mobile ARIS system. The second company, Denox Inc., is 51 percent owned by Sanwa System Corporation and 49 percent by PUREarth. This Company is responsible for the manufacturing and sales of the stationary ARIS system, as well as technical support to PUREarth for the development of mobile ARIS systems.

Under the Amendment, Mitsui and its wholly owned subsidiary PUREarth will have the exclusive right to make, use and sell NOx reduction systems using CDT's single fluid injector for mobile applications in Japan. Mitsui has committed to invest \$250,000 in the development, testing and demonstration of ARIS prototypes and will pay CDT an additional amount of \$250,000 plus running royalties on ARIS systems sold. Mitsui has already put prototype ARIS mobile systems into service with several major engine manufacturers in Japan; and CDT and Mitsui are exploring opportunities to license and supply mobile systems to engine manufacturers and Tier 1 suppliers in the US and Europe.

The ARIS urea SCR system uses a patented computer controlled injector to precisely meter non-hazardous urea based reagents into diesel engine exhaust. There the urea reacts across a catalyst to selectively reduce NOx to elemental nitrogen and water vapor. Reductions of up to 90 percent are possible.

"Using CDT's patented ARIS injector and pump-in-tank reagent supply system, Mitsui has demonstrated a mobile urea SCR injection system which promises to dramatically reduce SCR system cost," said CDT President and COO James Valentine. CDT's patents on combined exhaust gas recirculation (EGR) and SCR technology will allow NOx reductions to the ultra low levels required under 2007 regulations for new engines. Third party development in the US under a limited license from CDT has already shown the ability to achieve 2007 NOx standards over specific engine duty cycles using the combined EGR and SCR approach.

Separately CDT, Mitsui and PUREarth announced a memorandum of understanding to investigate the performance of CDT's patented Platinum Plus(R) fuel borne catalyst (FBC) in conjunction with a proprietary diesel particulate filter (DPF) developed by PUREarth. The FBC reduces engine out emissions and helps oxidize soot collected in the filter allowing it to regenerate or "self clean" at normal engine operating conditions. The parties have agreed to support engine testing in the US and Japan to be followed by field trials of the combined FBC/DPF system in 2003.

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. The selection of CDT technologies for license is due to their demonstrated field performance, proprietary patent position, low cost and ease of use.

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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