



March 16, 2001

Clean Diesel Technologies Reports Fourth-Quarter, Year-End Results

STAMFORD, CT (March 16, 2001) . . . Clean Diesel Technologies, Inc. (EEB:CDTI) (CDT) today reported results for the fourth quarter and the fiscal year ended December 31, 2000. For the fourth quarter of 2000, CDT reported a net loss attributable to Common Stockholders of \$741,000, or \$0.28 per share, compared to a net loss of \$787,000, or \$0.30 per share, for the year-earlier period. For the year ended December 31, 2000, CDT reported a net loss of \$2,713,000, or \$1.03 per share, on revenues of \$582,000, compared to a net loss of \$4,584,000, or \$1.77 per share, on revenues of \$142,000, for the prior year. Included in the 1999 year results was a one-time imputed non-cash preferred dividend of \$1,750,000, or \$0.68 per common share. Without the one-time imputed non-cash preferred dividend, CDT's net loss attributable to common stockholders for 1999 would have been \$2,834,00, or \$1.09 per common share.

Clean Diesel Technologies President and CEO Jeremy Peter-Hoblyn commented, "The Company is completing several successful fleet demonstrations and expects to announce distribution agreements for Platinum Plus(R) and the ARIS(TM) 2000 NOx reduction system in the near term."

Peter-Hoblyn also noted that recent events in the news are positive signs for Clean Diesel. The U.S. Supreme Court has upheld the tough standards on emissions in the Clean Air Act and the Tokyo government has crafted a new program to reduce emissions on 900,000 existing diesel vehicles.

"We believe these important events support the need for new technologies such as Platinum Plus and the ARIS 2000 that reduce emissions and pollution," Peter-Hoblyn said.

The Company's strategy is to license the Platinum Plus fuel borne catalyst and the ARIS 2000 NOx reduction system to large established strategic partners in order to gain worldwide distribution. CDT has announced license agreements with Norwalk, CT-based RJM Corporation for the ARIS stationary NOx reduction technology in North, Central and South America. The Company also completed a limited short term license agreement for the stationary and mobile ARIS system and Platinum Plus in Japan with Tokyo-based Mitsui & Co., Ltd.

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.

CLEAN DIESEL TECHNOLOGIES, INC. STATEMENTS OF OPERATIONS (Unaudited) (in thousands of US\$ except per share data)

	Three months ended December 31,		Twelve months ended December 31,	
	2000	1999	2000	1999
Revenue				
Product Revenue	62	42	199	142
License and Royalty Revenue	43	-	383	-
Total Revenue	105	42	582	142
Costs and Expenses				
Cost of Sales	45	24	133	81
General and Administrative	433	461	1,799	1,585
Research and Development	120	178	534	827
Patent Filing and Maintenance	55	50	152	144
Loss from operations	548	671	2,036	2,485

Interest Income	(4)	(15)	(38)	(46)
Interest Expense	1	0	3	2
Net Loss before Preferred Stock Dividend	545	656	2,001	2,441
Preferred Stock Dividend	196	131	712	393
One-time non-cash Preferred Dividend	-	-	-	1,750
Net Loss Attributed to Common Stockholders	741	787	2,712	4,584
Basic and Diluted Loss per Common Share	0.28	0.30	1.03	1.77
Weighted Average Number of Common Shares Outstanding	2,660	2,594	2,631	2,594

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 or contact the Company directly.

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