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Clean Diesel Technologies Licensee Receives More Than \$4 Million in Orders for Diesel Emission Control Technology

CDT to Receive \$825,000 in Earned Licensed Royalties

STAMFORD, CT (May 2, 2001) . . . Clean Diesel Technologies, Inc. (EBB:CDTI) (CDT) announced today that the strength of orders received by licensee RJM Corporation for nitrogen oxide (NOx) controls for diesel powered electric generators led to the accelerated payment of \$825,000 in earned royalties under an existing licensing agreement. CDT will receive two fixed payments of \$412,500 each on June 1 and Sept. 1 under an amendment to the earned royalty provisions of the agreement. CDT will continue to receive unit royalties on future sales to stationary, marine or locomotive applications by RJM, a Norwalk, CT-based company licensed in North, Central and South America to sell CDT's ARIS system that reduces nitrogen oxide (NOx) emissions. Additionally, RJM has agreed to manufacture systems for export by CDT to Europe and Asia while CDT explores license discussions in those areas.

RJM has received more than \$4 million in orders in recent months for the ARIS system, said Robert Monroe, Vice President and General Manager, ARIS Technology at RJM. The bulk of the orders are based on demand for diesel power generators in the Northwest to supply electrical energy to California and for diesel generator retrofit initiatives in Houston, Atlanta and the Northeast.

"RJM has seen a tremendous ramp-up in orders for the ARIS systems since licensing the technology from CDT in February 2000," Monroe said. "Regulations require new and existing diesels that will operate for more than a limited number of hours to install NOx emission controls or face curtailment in hours of operation. The low cost ARIS system, which is easily installed in the field, can reduce NOx emissions by 70-90 percent on new or existing engines when packaged with a SCR catalyst."

The basis of the ARIS system is a computer-controlled injector concept patented by CDT and developed and manufactured in conjunction with AMBAC International of Columbia, SC. This return flow injector allows precise metering of non-toxic urea reagents into diesel engine exhaust where the urea decomposes and reacts across a catalyst to convert NOx to water vapor and elemental nitrogen.

"RJM has done a superb job in bringing the ARIS technology to the U.S. stationary diesel and natural gas reciprocating engine market allowing CDT to focus on patents, regulatory and marketing initiatives and international licenses," said Jim Valentine, Chief Operating Officer of CDT.

Besides stationary, marine and locomotive diesels, the ARIS technology can be applied to NOx control for on-road or off-road mobile diesel engines. When combined with exhaust gas recirculation (EGR), under CDT's patent number 5,924,280, the combined technologies can already meet the 2007 heavy-duty diesel NOx emission limits recently set by the EPA. CDT is negotiating mobile ARIS licenses for the U.S. and Japan, and is seeking partners to complete commercial design and production of the mobile ARIS system.

As a demonstration of the broad applicability of the ARIS injector, the EPA recently reported high levels of NOx reduction when using the ARIS injector on an alternative hydrocarbon based NOx adsorber system installed at its Ann Arbor engine test laboratory. CDT also intends to expand licensing of the ARIS injector to applications on boilers, turbines and refinery process heaters later this year.

As part of its strategy to offer ARIS users a seamless and integrated solution to NOx control, CDT recently signed a marketing agreement with Fuel Tech Inc. to promote the use of its NOx OUT branded urea-based reagents with the ARIS injector. Fuel Tech distributes NOx OUT reagents to utility and industrial customers directly and through a network of licensed suppliers.

The stationary ARIS system is pending verification by the EPA for emissions reductions credits under the voluntary retrofit program. Once verified for performance, states would receive credits towards SIP compliance by encouraging retrofit of existing diesel and natural gas fueled engines. There are more than 150,000 diesel gen sets in the U.S., offering a huge opportunity for cost effective NOx reduction using the ARIS technology. For more information contact CDT at aris@cdti.com

About RJM

RJM is a privately held company providing innovative combustion and emission control technologies to the utility and industrial markets. RJM is the exclusive licensee for CDT's ARIS technology as applied to stationary, marine and locomotive diesel engines in North, Central and South America.

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.

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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