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## **Clean Diesel Technologies, Inc. Completes Sale of \$3 Million Convertible Notes**

VENTURA, Calif., May 9, 2011 /PRNewswire/ -- Clean Diesel Technologies, Inc. (NASDAQ: CDTI) ("Clean Diesel" or the "Company"), a cleantech emissions reduction company, announced today the completion of the sale of \$3 million aggregate principal amount of its 8.0% subordinated convertible notes due in 2016 (the "Notes") to an investor pursuant to the April 11, 2011 commitment letter.

As previously announced, the Notes were issued at 100% of face amount and are convertible at the option of the holder into shares of the Company's common stock at a fixed conversion price of \$7.044 per share (120% of the consolidated closing bid price on April 8, 2011), subject to specified notice requirements and a limitation on the number of shares into which the Notes convert equal to 369,853 shares of common stock. The Notes have a stated maturity of five years, although the holder has the right to require the Company to redeem the Notes at any time after November 11, 2012 at a price equal to 100% of the face amount plus accrued and unpaid interest through the date of redemption. The Company has the option to redeem the Notes at any time at a price equal to 100% of the face amount plus accrued and unpaid interest through the date of redemption. Net proceeds from the sale of the Notes will be used for general working capital purposes. The Notes are unsecured obligations of the Company and subordinated to existing and future secured indebtedness of the Company. The offer and sale of the Notes were made in reliance upon Regulation S under the Securities Act of 1933.

This press release is neither an offer to sell nor the solicitation of an offer to buy the Notes or any other securities of the Company. The Notes and the underlying common stock issuable upon conversion have not been registered under the Securities Act or any applicable state securities laws and may not be offered or sold in the United States or to U.S. persons without registration or pursuant to an applicable exemption from the registration requirements.

### **About Clean Diesel Technologies, Inc.**

Clean Diesel Technologies, Inc. is a vertically integrated global manufacturer and distributor of emissions control systems and products, focused on the heavy duty diesel and light duty vehicle markets. Clean Diesel utilizes its proprietary patented Mixed Phase Catalyst (MPC®) technology, as well as its ARIS® selective catalytic reduction, Platinum Plus® fuel-borne catalyst, and other technologies to provide high-value sustainable solutions to reduce emissions, increase energy efficiency and lower the carbon intensity of on- and off-road engine applications. Clean Diesel is headquartered in Ventura, California, along with its wholly-owned subsidiary, Catalytic Solutions, Inc., and currently has operations in the U.S., Canada, U.K., France, Japan and Sweden as well as an Asian joint venture. For more information, please visit [www.cdti.com](http://www.cdti.com) and [www.catsolns.com](http://www.catsolns.com).

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