

**CLEAN DIESEL AND ROBERT BOSCH GmbH ENTER AGREEMENT ON
SELECTIVE CATALYTIC REDUCTION (SCR) TECHNOLOGY
Targets Global Vehicle Markets**

Stamford, CT... Clean Diesel Technologies, Inc. ("Clean Diesel Technologies" or "the Company") (EBB:CDTI, AIM:CDT/CDTS & XETRA:CDI), an innovation leader for clean energy and environmental technologies to reduce harmful engine emissions, said today that it has signed a binding contract for a worldwide non-exclusive licensing agreement with Stuttgart, Germany-based Robert Bosch GmbH, a leading global supplier in the areas of automotive and industrial technology, customer goods and building technology.

Under the agreement, Robert Bosch GmbH has secured non-exclusive worldwide rights to patents held by Clean Diesel Technologies for control of oxides of nitrogen (NOx) emission by selective catalytic reduction (SCR). The patents Bosch has agreed to license include Clean Diesel's ARIS[®] method of single-fluid return-flow cooled urea injection for SCR control of NOx emissions, as well as patents covering the combination of exhaust gas recirculation (EGR) with SCR to minimize toxic emissions while optimizing vehicle fuel efficiency. SCR has been recognized as a leading technology for controlling NOx emissions, as required to meet international environmental standards now being implemented. In addition to providing a cost-effective control of NOx emissions, these inventions of Clean Diesel Technologies provide improved fuel economy, also contributing to reduced vehicle carbon dioxide and other greenhouse gas emissions. The agreement also includes provision for the use of these technologies in non-vehicular applications such as stationary power generation, rail and marine.

The terms were not disclosed, but Clean Diesel said that its licensing agreements generally are structured around license initiation fees and running royalty payments. Clean Diesel expects its 2007 financial results to include the first revenue under this agreement. Products incorporating these emission control and fuel-efficiency SCR technologies have been developed by Bosch and are likely to further gain in market acceptance.

With many years of research and development, accompanied by rigorous testing and work with regulatory bodies internationally, Clean Diesel Technologies' robust portfolio of intellectual property is poised to lead the growing green, clean-air movement around the world with its solutions to clean up major pollutants such as oxides of nitrogen, targeted by this agreement.

Clean Diesel Technologies CEO Bernhard Steiner commented, "Through this new relationship with Bosch, an industry leader whose products are included in all classes of engines and vehicles manufactured around the world, we are happy to announce this agreement as a further endorsement of the value of the Clean Diesel Technologies emission control inventions. This is a significant step for our Company. Clean Diesel has had prior agreements with major companies addressing retrofit markets, and this is the first license targeting a substantial portion of the new diesel vehicles with SCR technology that are predicted to be built over the next several years. These SCR patents were originated and developed to address the global need for cleaner air through emissions control, sustainability and fuel efficiency."

Clean Diesel Technologies Executive VP and Chief Technology Officer Walter Copan added, "The increasing concern over the impacts of air pollution has resulted in substantially more demanding requirements to control oxides of nitrogen, particulate matter and carbon dioxide emissions, while also reducing fossil fuel consumption. Our patented platform technologies have worldwide application directly addressing these areas. Bosch has the expertise and full range of capabilities to deliver these integrated SCR emission control solutions to original equipment manufacturers and its other customers around the world."

Conference Call and Webcast

Clean Diesel Technologies' management will host a conference call on Thursday, May 24, 2007, at 11:00 am EDT (8:00 AM PDT / 4:00 PM UK) to discuss recent developments. This call will be broadcast live over the Internet simultaneously and may be accessed at www.cdti.com or www.investorcalendar.com. Web participants are encouraged to go to either website at least 15 minutes prior to the start of the call to register, download and install any necessary audio software. The online archive will be available shortly after the conclusion of the call and continue for 30 days.

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About Clean Diesel Technologies, Inc.

Clean Diesel Technologies, Inc., together with its wholly-owned subsidiary, Clean Diesel International, LLC, is a clean energy and environmental technology company that provides innovative solutions to reduce harmful engine emissions and conserve energy. Clean Diesel's patented technologies, products and solutions enable cost-effective reduction of harmful emissions from internal combustion engines while also improving fuel economy and power. Products include Platinum Plus[®] fuel-borne catalysts, the Platinum Plus Purifier Systems, the ARIS[®] urea injection systems for selective catalytic reduction of NOx, diesel particulate filter and biofuels technologies. Clean Diesel Technologies' products are now in commercial use around the world. Platinum Plus and ARIS are registered trademarks of Clean Diesel Technologies, Inc. For more information, visit Clean Diesel 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 US 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.