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Clean Diesel Technologies Selected as Partner in Two Diesel Retrofit Projects in Pennsylvania

State Department of Environmental Protection to Provide Grants to Waste Management and Coca-Cola Enterprises for Purchase of CDT Retrofit Systems

STAMFORD, CT (May 27, 2004) ... Clean Diesel Technologies, Inc. (CDT) (EBB:CDTI & AIM:CDT/CDTS) announced today that it has been selected as a participant in two projects awarded funding by the State of Pennsylvania to retrofit diesel-powered equipment in that state. CDT will supply its EPA-verified Platinum Plus(R) Purifier system to fleet owners Waste Management, Inc. and Coca-Cola Enterprises Inc. (CCE) in ground-breaking programs to retrofit over 140 refuse trucks, beverage delivery trucks and landfill equipment at several sites in Pennsylvania.

The awards were announced Monday May 24, 2004, by Nicholas DiPasquale, Deputy Secretary of the Pennsylvania Department of Environmental Protection, during the launch of the Philadelphia Diesel Difference Program organized to promote voluntary diesel retrofit projects in the Philadelphia area.

"Emissions from diesel engines can be reduced by using clean fuels and by retrofitting engines with exhaust control technologies," DiPasquale said. "These grants will help companies and organizations purchase technology to lower emissions, especially particulate matter and hazardous air pollutants, coming from their fleets. The result is healthier air for all of us."

The grant funds totaling approximately \$335,000 will be used by CCE and Waste Management to purchase the Platinum Plus Purifier diesel oxidation catalyst as well as the Platinum Plus Fuel-Borne Catalyst (FBC). Used together, these two technologies reduce emissions both inside the engine and in the exhaust. CDT will install automatic dosing equipment to assure that the fuel used by the fleets is properly treated with the FBC. CCE and Waste Management will provide installation of the Purifiers on their vehicles as part of the overall program.

"CDT has worked with CCE and Waste Management for over 18 months in several field trials and engine dynamometer tests to confirm the performance of the system and to support EPA and California Air Resources Board (CARB) verifications," said James Valentine, President of CDT. "This award will allow the first large-scale fleet demonstration of the EPA-verified Platinum Plus Purifier System, and further confirms it as a cost-effective retrofit solution for a wide range of diesel-powered equipment. Because diesels tend to last 10-15 years, clean-up of existing equipment is important in reducing emissions, especially in urban areas," Valentine added.

The Platinum Plus Purifier System has been verified by the US Environmental Protection Agency under the rigorous Environmental Technology Verification program to reduce emissions on 1988-2002 model year on-road engines using FBC treated highway diesel fuel or FBC treated ultra low sulfur diesel fuel. More information can be found by visiting the EPA Voluntary Diesel Retrofit Program website at (www.epa.gov/otaq/retrofit).

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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