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Clean Diesel Technologies

AGM Business Update

STAMFORD, CT, Clean Diesel Technologies, Inc. ("Clean Diesel" or "the Company") (EBB:CDTI & AIM:CDT/CDTS & XETRA: CDI), a developer of technological solutions to reduce harmful engine emissions, will present today at its Annual General Meeting in London an update on its business progress in both its International and North & Latin American operations.

Bernhard Steiner, CEO & President, comments: "2005 went according to plan as indicated at last year's AGM. 2006 has started in a positive direction with an increase in sales in Q1 and the acquisition of several new customers and distributors allowing the Company to sell its products in commercial volumes in the Americas and in Europe. On the technology side important new advances have been made in renewable fuels and diesel particulate filtration technologies."

International Developments

Recent successes include the expansion of business across Continental Europe, for example retrofitting specialist handling equipment in Sweden, 200 buses by Multronic N.V in Belgium and agricultural tractors in Austria and Switzerland. In the UK, successes include a contract to retrofit heavy duty locomotives for use in the London Underground. In addition, Clean Diesel's Platinum Plus® Fuel Borne Catalyst (FBC) forms a key part of the two approved systems for the London Taxi retrofit.

Clean Diesel International has expanded its distribution base for the Platinum Plus FBC for filters by adding an additional Scandinavian distributor, an Austrian/Swiss distributor and distribution for the Far East serving Singapore, India, Australia and Malaysia. Clean Diesel has also started several fleet fuel economy programmes in the UK with initial data showing positive fuel economy improvement.

Clean Diesel's recently acquired wire mesh filter (WMF) technology has been successfully tested in Australia and a demonstration program is starting in Europe. Clean Diesel continues to sell trial quantities of its patented ARIS NOx reduction systems in Europe to support potential OEM and retrofit licenses of the technology. Licensing proposals have been presented to 3 European OEMs.

North American & Latin American Developments

Clean Diesel expects continued sales growth with its key accounts in commercial delivery, mining and marine sectors. Several new high profile customers in the beverage and grocery delivery sectors have been added. In addition several marine and public transport fleets are using the Platinum Plus FBC.

Clean Diesel has also completed a Platinum Plus FBC distribution agreement with Emtech Ltd for the mining and public transportation sectors in Chile. Clean Diesel is awaiting final approval for its new "CDT Biodiesel Plus™" (TxLED) fuel. This is a patented biodiesel formulation which shows no NOx increase while lowering Particulate Matter (PM) by 20% and improving fuel economy by more than 5%.

Clean Diesel has seen significantly greater interest in ARIS and EGR-SCR licenses with several proposals submitted to OEMs and system integrators. Clean Diesel has successfully completed a wire mesh filter retrofit demonstration program in Beijing with Extengine LLC.

Worldwide Market Opportunities

The demand for emission reduction technology and lower fuel consumption is increasing rapidly. Requirements for Euro 5 passenger car particulate control and Euro 4, 5 and 6 for heavy duty NOx control are quickly approaching. A mandatory London low emission zone, targeting 2008 implementation has been proposed. A large Dutch funded retrofit program to reduce NOx and PM in public transportation and commercial vehicles is being implemented. Australia has also a large funded retrofit program beginning in 2006.

A US transportation and Energy bill has been passed and is expected to provide funding and incentives for retrofit emission reduction programs for the next several years. US national and state level implementation plans are also providing funding and incentives. The California Air Resource Board's mandatory emission reduction requirements are also beginning to take effect.

- Ends -

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About Clean Diesel Technologies, Inc.

Clean Diesel Technologies, Inc. and its UK representative office, Clean Diesel International LLC, is a developer of technological solutions to reduce harmful engine emissions. Clean Diesel Technologies has patented products that reduce emissions from combustion engines while simultaneously improving fuel economy and power. Products include Platinum Plus[®] fuel borne catalysts, the Platinum Plus Purifier System, a catalyzed wire mesh filter and the ARIS[®] 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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