

PRESS RELEASE for 23 June 2006 at 2:30 AM EST and 7:30 PM GMT

Clean Diesel Technologies, Inc.

Director's Shareholding

STAMFORD, CT, 23 June 2006, 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, today announces that three directors were issued Clean Diesel common shares in lieu of their director's fees for the January 1, 2005 to December 31, 2005 period.

Derek Gray, Non-Executive Chairman, John J. McCloy II, Non-Executive Director and John A. de Havilland Non-Executive Director of the Company received 45,661, 11,176 and 5,357 common shares respectively at an average per share price of \$1.53, \$1.50 and \$1.40 respectively. Director shares are calculated on a quarterly basis using the average of the high and low price for each quarter but their shares are issued on an annual basis.

Mr. McCloy and Mr. de Havilland shares are for partial year as Mr. McCloy joined the board in June and Mr. de Havilland began receiving his director fee in shares in October 2005. Mr. de Havilland subsequently gifted his shares to his children. As a result, Derek Gray, John McCloy and John de Havilland are interested in 567,497, 11,176 and 16,444 common shares representing 2.2, less than 1 and less than 1 percentage respectively of the issued share capital of the Company.

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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.

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.