

NEWS RELEASE June 25, 2007

Clean Diesel Technologies, Inc.

Other Capital Changes

STAMFORD, CT, 25th June 2007, Clean Diesel Technologies, Inc. ("Clean Diesel" or the "Company") (EBB:CLDS [formerly CDTI] & AIM:CDT/CDTI & XETRA:CDI), an innovation leader for clean energy and environmental technologies to reduce harmful engine emissions, announces the following changes in its issued share capital.

The Company has applied to AIM for 220,431 new Common Shares in aggregate to be admitted to trading as a result of issuance of shares to deferred subscribers in the December 2006 private placement announced 3rd January 2007, issuance of shares in lieu of cash Directors' fees announced 19th June 2007 and issuance of shares upon the exercise of stock options.

The Company has also applied to AIM for 18,800 shares to be transferred from the "Reg S line" to the "unrestricted line".

Following the admission of all of the above shares the Company will have a total of 6,668,099 issued and outstanding Common Shares of which 3,499,641 Shares will be trading on AIM under the ticker CDTI, the "Reg S line" and 3,168,458 Shares will be trading on AIM under the ticker CDT, the "unrestricted line."

Dealings in the 220,431 new shares are expected to commence on 28th June 2007.

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