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Clean Diesel Technologies' fuel additive and low cost devices reduce diesel emissions by up to 50 percent

STAMFORD, CT (August 20, 2002) . . . Clean Diesel Technologies, Inc. (CDT) (EBB:CDTI & AIM:CDT/CDTS) announced the results of engine screening tests performed at San Antonio-based Southwest Research Institute (SwRI) have confirmed that its Platinum Plus(R) fuel borne catalyst (FBC) can reduce nitrogen oxide (NOx) emissions by up to 13 percent and particulate matter (PM) by up to 50 percent when used in conjunction with commercial ultra low sulfur diesel (ULSD) and low cost emission control devices. Used alone in fuel, Platinum Plus reduced NOx by 8 percent and PM by 25 percent.

Several different exhaust gas devices manufactured by Clean Air Systems of New Mexico were specifically designed for use with the FBC and tested in the program. The ULSD was a commercial fuel supplied by a major regional fuel marketer.

Testing was conducted on a 1998 heavy-duty Detroit Diesel Series 60 engine using replicate transient tests under the Federal Test Procedure for heavy-duty engines. Testing was structured to help select the best combination of fuel, FBC and device for future "verification" testing under EPA and CARB retrofit programs. Using a dual diesel oxidation catalyst (DOC) with the FBC, reductions of up to 13 percent NOx and 38 percent PM were achieved.

Testing of a novel hybrid DOC and flow through filter (FTF) gave up to 50 percent PM reduction and 10 percent NOx reduction. This combination has shown potential to hit 60 percent PM reduction with further optimization and CDT has applied for a patent on this system. CDT already holds patents on the FBC alone and when used with a DOC. Earlier work on this engine demonstrated the ability of the FBC and lightly catalyzed or uncatalyzed ceramic filter to achieve 85 percent PM reduction; however, these highest efficiency devices are not applicable on some older engines or those with light duty cycles.

"The beauty of the FBC approach is in its low cost and ease of application," said James M. Valentine, President and COO of CDT. "The FBC is simply added to diesel fuel with no complicated or expensive blending equipment, no stability issues and no change to base fuel properties. The product is registered with the EPA for commercial use in diesel fuel. Tests also showed fuel economy improvements of 3-7 percent for certain configurations with no loss in power." End users now have a suite of low cost options from which they can pick and pay for the level of performance appropriate to their fleet; from 25 to 85 percent reduction.

The devices used in testing with the FBC were very lightly precatalyzed with precious metals, meaning they are more sulfur tolerant and much less costly than traditional heavily catalyzed devices. In addition, lightly catalyzed devices generate little or no increase in nitrogen dioxide (NO₂) emissions. NO₂ is a strong lung irritant and is the basis on which some heavily catalyzed systems work to oxidize soot. Recent reports on heavily catalyzed systems have shown increases of 50 to several hundred percent in NO₂ emissions leading to limits and even restrictions on their use by several regulatory agencies.

Testing on an untreated ULSD reference fuel for comparison showed little or no change in NOx or PM emissions relative to baseline No. 2D; however, when combined with a DOC and FBC, NOx was reduced by 5 percent and PM by 38 percent. A combination of FBC in commercial Colonial 55 jet kerosene also reduced NOx by 8 percent and PM by 25 percent versus baseline No. 2D. This combination maintained PM reduction efficiency and also held NOx below baseline when blended with 20 percent biodiesel.

"CDT intends to apply for verification of emissions reduction performance on several of the combinations evaluated in this program and is currently offering the systems for commercial application in conjunction with users of low or ultra low sulfur diesel fuel," said Valentine. "Several hundred vehicles are already using the FBC alone in fuel for fuel economy improvement and emissions reduction and several commercial fleets have stated plans to evaluate this low cost emission control option."

In the U.S., Platinum Plus is available from CDT and a network of licensed distributors, agents and fuel marketers. Fuel marketers or fleets interested in learning more about the Platinum Plus FBC should contact CDT or visit the web page at www.cdti.com.

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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