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Clean Diesel Technologies, Inc. Comments on Diesel Retrofit Market in California

VENTURA, Calif., Aug. 30, 2012 (GLOBE NEWSWIRE) -- Clean Diesel Technologies, Inc. (Nasdaq:CDTI) ("CDTi" or the "Company"), a cleantech emissions control company, commented today on an announcement made by the Manufacturers of Emission Controls Association ("MECA") regarding industry sales of diesel particulate filters ("DPFs") under the mandatory California Truck and Bus Regulation. Earlier this month, MECA issued a press release which highlighted the slow pace of diesel retrofit sales in California. This is consistent with the sales volumes experienced by CDTi this year, as discussed in the Company's second quarter 2012 earnings call. CDTi believes this may, in part, have been attributable to the level of operator education and the intensity of state enforcement actions. The Company supports the recent declaration by the California Air Resources Board ("CARB") designating the month of August as "Gear Up for Clean Truck Month." CARB has initiated a multi-agency campaign to ensure that trucks traversing the state's highways are in compliance with state air pollution laws.

CARB, working in conjunction with the California Highway Patrol and other agencies, will deploy inspectors throughout the state, focusing on truck stops, fleet facilities, weigh stations, ports, rail yards and major points of entry into the state, to ensure full compliance with the regulation's requirements. Operators will face enforcement actions involving citations and audits if found in non-compliance with the regulation.

In the press release issued by MECA, it indicated that the total number of verified DPFs sold by MECA member companies in California in the first half of 2012 was 3,030, much lower than the volume expected by retrofit suppliers. The MECA press release also cited CARB projections that approximately 12,000 filters would be installed in 2012 and that approximately 66,000 filters overall would be installed from 2011 through 2015.

"We are very pleased and supportive of CARB's efforts to reach out and better inform truck operators about the importance of complying with the state mandated diesel emission regulation and enforcement timelines," said Craig Breese, Chief Executive Officer of CDTi. "The rate of verified DPFs sold has been below ours and the industry's expectations. However, while we have been successful in winning fleet operator business, we expect the trends to continue through the third quarter. We trust that the targeted and coordinated efforts by multiple state agencies will stimulate operators to initiate steps to comply with the January 1, 2013 deadline and drive sales in the fourth quarter and beyond."

CDTi has dedicated a substantial amount of sales, marketing and engineering resources to ensure it is positioned to be a leading provider of retrofit emission control solutions to the California market, including the following: an extensive distribution network of over 50 distributors covering California, Mexico and neighboring states; the first and only lease option in the market; significant engineering and service support to vehicle owners and distributors; a state of the art website and information portal; targeted advertising; dedicated pull-through sales to fleet owners; and finally, a growing product portfolio to be extended with pending CARB approvals, which when received, will significantly increase the Company's market coverage.

About CDTi

CDTi is a vertically integrated global manufacturer and distributor of emissions control systems and products, focused on the heavy duty diesel and light duty vehicle markets. CDTi utilizes its proprietary patented Mixed Phase Catalyst (MPC®) technology, as well as its ARIS® selective catalytic reduction, Platinum Plus® fuel-borne catalyst, and other technologies to provide high-value sustainable solutions to reduce emissions, increase energy efficiency and lower the carbon intensity of on- and off-road engine applications. CDTi is headquartered in Ventura, California and currently has operations in the U.S., Canada, U.K., France, Japan and Sweden. For more information, please visit www.cdti.com.

The Clean Diesel Technologies, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=5742>

Forward-Looking Statements Safe Harbor

Certain statements in this news release, such as statements regarding CDTi's expected receipt of regulatory product approvals and timing of sales under the California mandated Truck and Bus regulation, as well as the likelihood and impact of further action by state agencies regarding those regulations, 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 CDTi's filings with the U.S. Securities and Exchange Commission, uncertainties and other factors that may cause the actual results, performance or achievements of CDTi 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. CDTi assumes no obligation to update the forward-looking information contained in this release.

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