



September 20, 2004

Clean Diesel Technologies Raises \$1.8 Million (GBP 1.025 Million)

STAMFORD, CT (September 20, 2004) ... Clean Diesel Technologies, Inc. (CDT) (EBB:CDTI & AIM:CDT/CDTS) announced that it has signed a commitment letter with an existing UK shareholder for the issuance of \$1.8 million (GBP 1.025 million) of CDT's common stock at a price of GBP 1.025 (US \$1.82) per share. CDT expects the private placement to be completed by September 28, 2004.

The proceeds of the fund-raising will be used to continue the acceleration of the Company's technology commercialization in the US, Europe and Asia. The Company has recently begun announcing and shipping significant orders for its EPA-verified Platinum Plus(R) Purifier System including a State of Pennsylvania grant and the supply of systems to Maine and Stamford school bus projects. The Company also recently announced its second EPA verification for the Platinum Plus fuel borne catalyst additive with a particulate filter designed by Mitsui/PUREarth.

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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