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Clean Diesel Technologies Announces Significant Emissions Reductions from Independent Testing of Platinum Plus Fuel Additive

Particulates Reduced Up to 35 Percent and NOx Reduced by Up to 11 Percent

STAMFORD, CT (September 23, 2004) ... Clean Diesel Technologies, Inc. (CDT) (EBB:CDTI & AIM:CDT/CDTS) announced today that it has completed extensive independent testing of its Platinum Plus(R) fuel-borne catalyst (FBC) in a wide range of fuels on four different engines at Southwest Research Institute in San Antonio, Texas. Results from these tests confirm that the FBC, when added to various commercial diesel fuels, can provide up to 35 percent reduction in diesel particulate emissions (PM) and up to 11 percent NOx reduction. Both particulates and NOx are a major focus of worldwide efforts to reduce diesel emissions, and the US EPA has challenged the industry to clean up the more than 11 million existing diesel engines that are used in a wide range of on-road and off-road applications. While new engines will see dramatic emissions reductions starting in 2007, many existing engines will continue to be in service for another 10-20 years.

Engines tested in the CDT program included a 1990 International DT466, a 1991 Cummins 8.3 liter, a 1995 International DT466 and a 1998 Detroit Diesel Series 60 heavy-heavy duty engine. Fuels included EPA on-road No. 2D, California ultra-low sulfur diesel (CARB ULSD), Texas low emission diesel, on-road No. 1D and bio-diesel blends with selected fuels. In all, over 200 transient tests were run over the past two years using the Platinum Plus FBC alone and in conjunction with aftertreatment devices.

"This extensive data set provides CDT with a map to predict performance for fuel marketers, fleets or regulators as to the impact of FBC-treated fuels on emissions reductions," said James Valentine, President and Chief Operating Officer of CDT. Blended into commercial ultra-low sulfur-diesel fuel the FBC produced PM reductions of up to 28 percent; and when used with a Texas low-emissions diesel fuel the FBC blend produced reductions of 31 percent PM and up to 11 percent NOx reductions.

When blended with pipeline grade No. 1D kerosene the FBC produced PM reductions of up to 32 percent and 10 percent NOx. That same blend combined with a B-20 blend of bio diesel gave 35 percent PM and 4 percent NOx reductions. Used with low-cost after-treatment devices, the FBC has been verified by the US EPA for 40-50 percent PM reduction when used with a diesel oxidation catalyst (DOC); and 65-75 percent reduction when used with a catalyzed wire-mesh filter (CWMF).

The FBC also allows for lower temperature oxidation of soot collected by diesel-particulate filters which can give up to 90 percent reduction in particulate emissions.

"Many fleets are choosing to put after-treatment devices like oxidation catalysts or filters on a portion of their fleet while using the FBC-treated fuel across the entire fleet. A 25-30 percent PM reduction from just the fuel is a dramatic and cost-effective first step in emissions reduction" said Valentine. "In addition, the typical fuel economy improvement of 7-8 percent from use of FBC treated fuel normally more than offsets the \$0.05-0.06/gallon treatment cost. Over 2,000 vehicles have made use of the FBC for both emissions reduction and fuel-economy improvement including: refuse and beverage delivery trucks; over-the-road fleets; school buses; and mining, construction, marine and power generation equipment."

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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