



Clean Diesel Technologies, Inc.

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Clean Diesel and Extengine Enter License and Distribution Agreement for Diesel Particulate Filter Products in China and North America

Stamford, CT and Fullerton, CA, USA ... Clean Diesel Technologies, Inc. ("Clean Diesel") (EBB:CDTI & AIM:CDT/CDTS & XETRA: CDI), a developer of technological solutions to reduce harmful engine emissions, has entered into a license and distribution agreement with Extengine Transport Systems, LLC ("Extengine") for China and North America. Extengine is a California-based developer, manufacturer and supplier of innovative advanced diesel emissions control products and biodiesel fuels.

This license agreement is for the technology, manufacturing and distribution rights for Clean Diesel's patented Catalyzed Wire Mesh Diesel Particulate Filter (CWMF) technology. CWMF technology is designed for use in a wide range of diesel engine particulate emission control applications. Extengine will also be responsible for marketing and demand fulfillment for emissions control systems based on this proven, low cost diesel particulate filter technology in the rapidly developing markets of China and North America. The CWMF technology was successfully demonstrated by Extengine, in partnership with Clean Diesel, to meet the proposed emissions requirements of SEPA, the Environment Protection Authority of China. "Official emissions testing in Beijing was conducted using the Extengine PM control filters on several pieces of heavy-duty diesel construction equipment and the results were impressive," said Mr. Cui Ping, who supervised the testing for SEPA - VECC, the China EPA Vehicle Emission Control Center.

"Extengine and Clean Diesel are now working closely together to commercialize superior particulate matter control systems to meet the growing demand for diesel retrofits from China to California to New York City. In particular, the Clean Diesel wire mesh flow-through filter will appeal as a practical, low maintenance and low cost particulate control device for diesel fleet operators and OEMs worldwide. This license is a key step in building upon the synergies between our companies, with core strengths of highly effective, commercially ready diesel retrofit solutions," said Phillip Roberts, President of Extengine Transport Systems.

The patented CWMF technology represents a series of durable metallic, low cost filter designs to bridge the gap between low efficiency diesel oxidation catalysts and expensive, limited application heavily catalyzed particulate filters. The wire mesh filter system has been designed to work on its own or with a synergistic fuel-borne catalyst (FBC), such as Clean Diesel's Platinum Plus[®], for more effective performance. This combined FBC/CWMF technology is especially suited to solving the challenging problem of delivering a reliable pollution control solution which can be easily retrofitted for the older, higher emission diesel engines expected to be in service for years to come.

To meet the needs of the significant market in China, this technology is appropriate for use with either high or low sulfur diesel fuel, as well as biofuels. The FBC/CWMF system has also been verified by Clean Diesel under the U.S. Environmental Protection Agency's rigorous Environmental Technology Verification protocol as reducing particulate matter emissions by up to 76 percent, carbon monoxide by 60 percent, hydrocarbons by 80 percent, and NO_x by 9 percent. It also provides lower NO₂ emissions levels relative to the traditional, heavily catalyzed filter systems. The CWMF systems are available in configurations for use either with or without fuel borne catalyst.

In addition to reducing the cost to achieve emissions improvements, the patented combination with a FBC permits the CWMF to operate effectively at the lower exhaust temperatures found in stop-and-go service applications. The FBC reduces the engine-out emissions and allows soot captured in the CWMF to be reliably combusted at lower exhaust temperatures. Commercial systems of Platinum Plus FBC, combined with the durable CWMF, have demonstrated performance in delivery vehicles, refuse trucks and buses.

Under the Clean Diesel license agreement, Extengine will move forward to commercialize the patented wire mesh diesel particulate filter for a variety of on- and off-road diesel retrofit applications. Over the past year, Extengine has demonstrated this new Clean Diesel wire mesh flow-through filter in an in-field demonstration for the China EPA (SEPA). The official results showed the device reduced the black smoke (soot) between 40-50% even on higher sulfur diesel fuels. Presently, Extengine has this new wire mesh diesel particulate filter installed on a New York City Department of Sanitation vehicle as part of a NYSEDA off-road vehicle demonstration project. Test results in California on newer medium-duty diesel trucks have shown particulate reduction of approximately 60% in official laboratory tests.

Due to an increased focus on reducing emissions, demand for large-scale diesel retrofit programs has expanded dramatically in China. The retrofit market in this territory comprises over 3 million diesel vehicles, off-road construction equipment and generators. The Clean Diesel wire mesh diesel particulate filter technology is ideally suited to address this retrofit application because the filter is tolerant of variable diesel fuel quality and sulfur levels, and provides robust emission control performance across a wide range of operating conditions. This technology provides durable diesel particulate filter performance at a price point appropriate to the cost sensitive Asian markets.

Dr. Bernhard Steiner, CEO and President, adds: "This agreement opens the doors for Extengine to supply versatile, low cost and high performance diesel emission control systems to meet the needs of retrofit applications, as well as original equipment manufacturers in China. Clean Diesel appreciates the relationship with Extengine, who have long been active in China to identify market needs and to develop the manufacturing and distribution infrastructure. We look forward to sharing mutual success with Extengine in providing leading edge and economical solutions to a world in need of clean energy and sustainable mobility."

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About Clean Diesel Technologies, Inc.

Clean Diesel Technologies, Inc. and its UK branch office, Clean Diesel International, LLC, is a developer of technological solutions to reduce harmful engine emissions. Clean Diesel Technologies has patented products that reduce emissions from combustion engines while simultaneously improving fuel economy and power. Products include Platinum Plus® fuel borne catalysts, the Platinum Plus Purifier System, a catalyzed wire mesh filter and the ARIS® urea injection system for selective catalytic reduction of NOx. Platinum Plus and ARIS are registered trademarks of Clean Diesel Technologies, Inc. For more information, visit Clean Diesel at www.cdti.com or contact the Company directly.

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About Extengine Transport Systems, LLC

Extengine Transport Systems, LLC is California based developer, manufacturer and supplier of advanced diesel emissions control products, EPA/CARB engine testing laboratory services and premium biodiesel fuels. For more information, visit Extengine at www.extengine.com or contact the Company directly.