



September 29, 2003

## **Clean Diesel Technologies Signs Commitment Letter with Mitsui Subsidiary to Participate in \$3.8 Million Financing**

### **Expands Strategic Partnership for Diesel Emissions Control**

STAMFORD, CT (September 29, 2003) ... Clean Diesel Technologies, Inc. (CDT) (EBB:CDTI & AIM:CDT/CDTS) announced today that Mitsui & Co. Ltd's subsidiary PUREarth Inc. has participated in the recently announced \$3.8 million private placement of CDT's common stock along with several UK-based shareholders.

According to James Valentine, President & COO of CDT, "We are delighted with the equity investment by PUREarth in CDT. It reflects the growing strength of the mutual relationship between CDT and Mitsui which started with the ARIS Urea SCR NOx Reduction technology and has expanded to our combined efforts to commercialize CDT's fuel-borne catalyst (FBC) technology using PUREarth's catalyzed wire-mesh filter (CWMF). As a result, once we have achieved the verifications required, we will be in a strong position to generate significant revenues in the US diesel engine retrofit market."

CDT and PUREarth have been working since December 2002 on several programs to verify the emissions reduction performance of PUREarth's CWMF and CDT's Platinum Plus(R) FBC. Two separate engine test programs conducted at Southwest Research Institute (SwRI) have shown particulate reductions of 65 to 70 percent with hydrocarbons (HC) and carbon monoxide (CO) reductions of over 75 percent. The greater than 50 percent reduction in particulate matter would qualify as a level two verification under the California Air Resources Board (CARB) Diesel Risk Reduction program targeting retrofit controls to over 1.2 million engines. In addition, emissions of nitrogen dioxide (NO2) have been minimized by specifically designing the CWMF to operate with FBC-treated fuel. Traditional heavily catalyzed filter systems can cause a dramatic increase in NO2 which is a strong lung irritant. Besides the emissions tests, the companies have completed a 225-hour accelerated durability test of the system at SwRI representing about 500 hours of local delivery service. Performance of the system was maintained even over the aggressive durability test cycle.

Several FBC/CWMF systems have been placed in commercial service on refuse trucks in California and beverage delivery trucks in Texas using automatically dosed FBC-treated fuel. These applications represent the toughest conditions for a filter due to low exhaust temperatures and higher soot emissions from older, dirtier engines built in 1990-1993. The FBC reduces engine-out soot by 15-25 percent and assists in further oxidizing soot that collects in the specially catalyzed CWMF. This prevents plugging of the filter with soot even at low exhaust temperatures. Following the required 1,000 hours of field service, units will be retested at SwRI to support verification under EPA and CARB programs. Testing is planned for fourth quarter 2003. Proceeds from the recent fundraising will be used to support verification programs and for sales, technical services and other commercial activities.

Under a previously announced Memorandum of Understanding, initially PUREarth will manufacture the CWMF devices in Japan and CDT will provide application engineering and marketing in the US, as well as selling and distributing the FBC. CDT is also managing the CARB and EPA verification programs. CDT and PUREarth are continuing discussions with several potential marketing and distribution partners in the US to address both the retrofit and new vehicle market for diesel particulate reduction.

To begin with the FBC/CWMF system will be targeted at school bus fleets, delivery vehicles and refuse trucks. It will provide a lower cost solution to end users without the excessive NO2 generation that characterizes traditional heavily catalyzed systems.

About Mitsui & Co., Ltd.

Mitsui & Co., Ltd. is one of world's largest and most diversified international trading companies, with business extending from chemicals to steel and metals to transportation machinery. Its Inorganic Chemical Group, together with a unit of Mitsui & Co. (USA), Inc., Mitsui's wholly-owned U.S. subsidiary headquartered in New York City, is working with several industrial partners active in engineering, fuels and heavy-duty vehicles to address diesel engine emissions in Japan. Mitsui has formed a wholly owned subsidiary, PUREarth to address diesel particulate emissions and has a 50 percent ownership in Denox Inc. focused on diesel NOx control. Mitsui also holds the exclusive license on CDT's ARIS NOx control technology for Japan.

## 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](http://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.

Allen & Caron, Inc. Jesse E. Deal (US investors)  
(212) 691-8087; [jesse@allencaron.com](mailto:jesse@allencaron.com)  
Len Hall (US media)  
(949) 474-4300; [len@allencaron.com](mailto:len@allencaron.com)

Clean Diesel Technologies, Inc.  
James M. Valentine, President  
David W. Whitwell, CFO  
(203) 327-7050