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Clean Diesel Technologies Expands License for Patented Diesel NOx Reduction System Stationary, Marine and Locomotive Applications Added

STAMFORD, CT (October 1, 2004) ... Clean Diesel Technologies, Inc. (CDT) (EBB:CDTI & AIM:CDT/CDTS) announced today that it executed a non-exclusive license agreement with Combustion Component Associates (CCA) of Monroe, CT, for use of CDT's patented ARIS(R) urea-injection system. Under the agreement the ARIS system will be used for the selective catalytic reduction of nitrogen oxide emissions (NOx) from stationary, marine and locomotive diesel engines in North America.

"NOx emissions are a major contributor to ground-level ozone and smog," said R. Gifford Broderick, President of CCA, "and we are seeing growing interest in areas such as California, Texas and the Northeast for cost-effective NOx controls to be applied to existing diesel engines. Extending the license with CDT to cover stationary, marine and locomotive applications will allow us to broaden the sectors that we can serve with our ELIM-NOx SCR System which utilizes CDT's injection technology." Broderick also noted that the CDT single fluid return flow injector allows precise control of reagent injection in the engine exhaust leading to NOx reductions of up to 90 percent or more."

"We are pleased that CCA has expanded its licensing agreement to include these applications," said Bernhard Steiner, CEO of Clean Diesel. "CCA already holds a license for CDT's ARIS urea- injection system for mobile diesel engines in on-road and off-road applications, and CCA recently announced orders for 18 mobile NOx-reduction systems."

James Valentine, President and COO of CDT, stated, "We are confident in the ability of our single fluid injection system to serve as the basis for lower cost NOx reduction on mobile and stationary diesel engines. Working with CCA in the US and our other licensees, including Mitsui in Japan, there are over 150 ARIS-based NOx reduction systems installed worldwide. Not only is the system applicable to existing engines, but used together with exhaust gas recirculation (EGR), the CDT patented combination of EGR/SCR can achieve the ultra low NOx standards required of new engines starting in 2007. When combined with our Platinum Plus(R) diesel-particulate control system, both NOx and PM can be reduced by over 90 percent from today's level."

About Combustion Component Associates, Inc.

Combustion Components Associates, Inc., founded in 1980, provides comprehensive engineering, testing and hardware to the power and transportation industries for the efficient combustion of fuel and reduction of air pollution. The company utilizes the latest technology in computer modeling and laboratory test equipment in the development and application of its technologies. Its products and services are utilized by major utility generators and numerous Fortune 500 companies.

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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