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Clean Diesel Technologies, Inc. Wins \$1.7 Million in Orders under New Jersey's Mandatory State-Funded Diesel Retrofit Program

VENTURA, Calif., Oct. 26, 2011 /PRNewswire/ -- Clean Diesel Technologies, Inc. (NASDAQ: CDTI) ("Clean Diesel"), a cleantech emissions reduction company, announced today that its Heavy Duty Diesel Systems division has won orders valued in excess of \$1.7 million for its verified (approved) emission reduction products under the New Jersey Department of Environmental Protection ("NJDEP") Mandatory Diesel Retrofit Program. The program requires the retrofitting of a variety of vehicles and equipment by established deadlines at the State's expense. Clean Diesel expects shipments of these orders to occur in the fourth quarter of 2011.

Clean Diesel's ECS-branded Purifilter® Plus diesel particulate filter (DPF) emissions reduction system was approved by the NJDEP for retrofitting under the Mandatory Diesel Retrofit Program which requires owners of certain diesel-powered vehicles and equipment, such as dump, recycling and tow trucks, to install control devices to reduce the emissions of fine particulate matter, commonly called "soot." The State of New Jersey is steadfast about reducing the amount of particulate matter emitted by diesel vehicles, as evidenced by their dedicated website, www.stopthesoot.org. According to the website, numerous programs have been implemented to reduce the harmful diesel exhaust that New Jersey citizens are exposed to every day. Under the Mandatory Diesel Retrofit Program, there is no cost to the owners of regulated vehicles to install retrofit technology because the purchase and installation cost for the retrofit technology is reimbursed by the NJDEP. September 8, 2011, was the deadline for any State, county, municipality, or political subdivision thereof that owns regulated diesel-powered vehicles or regulated off-road equipment in New Jersey to submit an inventory/retrofit cost estimate to the NJDEP. The NJDEP will conduct a mandatory review in order to authorize the retrofit and reimbursement.

"We appreciate the funding and leadership provided by the NJDEP for this diesel retrofit program, which will help limit exposure to diesel pollution, improve air quality for New Jersey citizens and deliver advanced diesel engine technologies that create cleaner engines for our customers. Programs like this continue to be implemented in various states across the U.S. in the effort to reduce emissions from mobile sources and help attain and maintain air quality standards. The NJDEP represents yet another program that will leverage the unique features of the Purifilter® Plus product, which is ideal for municipal vehicles, school buses and heavy trucks alike, and compliments our broad product range covering most other mobile applications," said Ian MacDonald, Vice President, North America Sales and Marketing of Clean Diesel Technologies, Inc.'s Heavy Duty Diesel Systems division.

About Clean Diesel Technologies, Inc.

Clean Diesel is a vertically integrated global manufacturer and distributor of emissions control systems and products, focused on the heavy duty diesel and light duty vehicle markets. Clean Diesel utilizes its proprietary patented Mixed Phase Catalyst (MPC®) technology, as well as its ARIS® selective catalytic reduction, Platinum Plus® fuel-borne catalyst, and other technologies to provide high-value sustainable solutions to reduce emissions, increase energy efficiency and lower the carbon intensity of on- and off-road engine applications. Clean Diesel is headquartered in Ventura, California, and currently has operations in the U.S., Canada, U.K., France, Japan and Sweden. For more information, please visit www.cdti.com.

About the New Jersey Mandatory Diesel Retrofit Program

While there are federal engine emission standards in place for newer vehicles, heavy-duty diesel engines have a long service life allowing an older technology, higher-emitting engine to pollute for many decades before it is replaced with a newer, cleaner engine. To address this gap, the Diesel Retrofit Law was passed in 2005 to clean up emissions from certain on-road, diesel-powered motor vehicles and non-road vehicles/equipment through the use of retrofit emission control technology. The benefits of this law and the subsequent regulations adopted by the NJDEP are a reduction of the harmful diesel exhaust that NJ citizens are exposed to every day. The regulations require a variety of vehicles and equipment to install retrofits by established deadlines at State expense. There is no cost to the owners of regulated vehicles to install the Best Available Retrofit Technology (BART); the purchase and installation costs for the retrofit technology are reimbursed by the State.

Forward-Looking Statements Safe Harbor

Certain statements in this news release, such as the timing of product shipments and result and growth of State-funded diesel retrofit programs, 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 Clean Diesel's filings with the U.S. Securities and Exchange Commission, uncertainties and other factors that may cause the actual results, performance

or achievements of Clean Diesel 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. Clean Diesel assumes no obligation to update the forward-looking information contained in this release.

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