



November 5, 2003

Clean Diesel Technologies reports 2003 Third-Quarter Results

STAMFORD, CT (November 5, 2003) ... Clean Diesel Technologies, Inc. (CDT) (EBB:CDTI & AIM:CDT/CDTS) today reported an increase in revenue for the third quarter of 2003 and year-to-date over prior year periods. Total revenue for this year's third quarter was \$99,000 with a net loss of \$664,000, or \$0.05 loss per share. This compares to total revenue of \$51,000 and a net loss of \$717,000, or \$0.06 loss per share, for the same period in 2002. For the first nine months ended September 30, 2003, total revenue was \$478,000 with a net loss of \$2,156,000 or \$0.18 loss per share. In the comparable 2002 period, revenue was \$141,000 with a net loss of \$2,240,000 or \$0.20 loss per share. The rise in revenue was generated from both increased sales of its Platinum Plus(R) fuel-borne catalyst (FBC) and from increased ARIS(R) license, sales and royalty income.

In October 2003 CDT announced that its Platinum Plus Purifier System had been verified by the Environmental Protection Agency (EPA) under the rigorous Environmental Technology Verification (ETV) program for 40 percent (on normal No. 2 diesel fuel) to 50 percent (on ultra-low sulfur fuel) reduction in PM emissions on the retrofit of 1988-1993 diesel engines. The Platinum Plus Purifier System uses a lightly catalyzed diesel-oxidation catalyst (DOC) and the Company's patented fuel-borne catalyst (FBC) to deliver twice as much particulate reduction as a traditional DOC at a lower cost.

Valentine also noted, "The Company expects to receive its initial orders for the verified Platinum Plus System in the next few months. The system is being marketed to local delivery fleets, school buses, refuse trucks and municipal fleets with older, dirtier engines. The lower capital cost of the Platinum Plus Purifier system allows up to five vehicles to be retrofitted at the same cost as one vehicle retrofit for a traditional, heavily-catalyzed diesel particulate filter."

CDT intends to supply verified systems directly to end-users and through a planned network of licensed distributors. The Platinum Plus FBC can be delivered pre-blended in fuel by licensed fuel suppliers, or added to fuel on site by end-users using automatic dosing systems. Several on-board dosing systems are also under development.

Also during the third quarter, the Company completed a \$3.9 million private placement of its common stock with several current non-US shareholders and PUREarth Inc., a wholly-owned subsidiary of Mitsui & Co. Ltd of Japan.

CDT and PUREarth have been working together for the last year on several programs to verify the emission reduction performance of PUREarth's catalyzed wire-mesh filter (CWMF) and CDT's Platinum Plus FBC. Initial testing of the FBC/CWMF system achieved particulate reductions of 65- 70 percent which would qualify as a Level 2 reduction with the California Air Resources Board (CARB). Application for retrofit verification of the FBC/CWMF system has been submitted to the EPA and CARB. Final durability testing to complete verification testing requirements is awaiting test cell availability. Mitsui has also exclusively licensed the Company's ARIS urea selective catalytic NOx reduction technology for stationary and mobile applications in Japan.

Full financial information is included in the Company's Form 10-Q filed with the Securities and Exchange Commission (www.SEC.gov).

CLEAN DIESEL TECHNOLOGIES, INC. STATEMENTS OF OPERATIONS (Unaudited) (in thousands of US\$ except per share data)

	Three months ended September 30		Nine months ended September 30	
	2003	2002	2003	2002
Revenue				
Product Revenue	81	39	291	115
License and Royalty Revenue	18	12	187	26
Total Revenue	99	51	478	141
Costs and Expenses				
Cost of Sales	47	17	167	72
General and Administrative	517	569	1,855	1,704

Research and Development	171	185	590	597
Patent Filing and Maintenance	29	4	29	31
Loss from operations	(665)	(724)	(2,163)	(2,263)
Interest Income	1	7	7	32
Interest Expense	-	-	-	(9)
Net Loss	(664)	(724)	(2,156)	(2,240)
Basic and Diluted Loss per Common Share	(0.05)	(0.06)	(0.18)	(0.20)
Weighted Average Number of Common Shares Outstanding - Basic and Diluted	12,119	11,241	12,021	11,232

BALANCE SHEET (in thousands of US\$ except share data)

	Sept 30 , 2003 (Unaudited)	December 31, 2002
ASSETS		
Current Assets		
Cash and Cash Equivalents	3,994	2,083
Accounts receivable, net of allowance of 10 and 3 in 2004 and 2003, respectively	151	284
Inventories	299	314
Other Current Assets	63	76
Total Current Assets	4,507	2,757
Patents, Net	230	114
Other Assets	114	108
Total Assets	4,851	2,979
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Deferred Compensation and Pension Benefits	441	418
Accounts Payable and Accrued Expenses	363	223
Stockholders' Equity		
Preferred Stock, par value 0.05 per share, authorized 100,000 and 80,000 respectively, no shares issued and outstanding		
Series A Convertible Preferred Stock, par value 0.05 per share, 500 per share liquidation preference, authorized 0 and 20,000 shares respectively, no shares issued and outstanding		
Common Stock, par value 0.05 per share, authorized 30,000,000 shares, issued and outstanding 15,679,337 and 11,968,387 shares respectively	719	598
Additional Paid-in Capital	32,263	28,519
Accumulated Deficit	(28,935)	(26,779)
Total Stockholders' Equity	4,047	2,338
Total Liabilities and Stockholders' Equity	4,851	2,979

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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