



November 25, 2003

Clean Diesel Technologies Raises Additional \$3.7 Million (£2.2 Million)

Funds will support accelerated commercialization effort, additional EPA / CARB verifications of CDT technologies and development of markets in Europe and Asia

STAMFORD, CT (November 25, 2003) ... Clean Diesel Technologies, Inc. (CDT) (EBB:CDTI & AIM:CDT/CDTI) announced today that it has signed commitment letters with several UK entities for the issuance of \$3.7 million (£2.2 million) of CDT's common stock at a price of £1.70 (\$2.85) per share. CDT expects to receive payment for the private placement on December 1, 2003. Including the private placement completed in September 2003, with several existing UK based shareholders and Mitsui & Co. Ltd's subsidiary PUREarth Inc., CDT has recently raised total equity financing of approximately \$7.5 million (net).

The proceeds of the fund raising will be used to accelerate commercialization of the company's technologies, gain additional United States Environmental Protection Agency (EPA) and California Air Resources Board (CARB) verifications, widen the applicability of the Platinum Plus(R) technology, expand its markets into Europe and parts of Asia and extend patent protection.

The Company has recently verified its Platinum Plus Purifier System under the EPA's rigorous Environmental Technology Verification Program (ETV) for 40 to 50 percent diesel particulate reduction. The Purifier System consists of the Company's patented Platinum Plus fuel borne catalyst (FBC) and a specially formulated low cost diesel oxidation catalyst (DOC).

In addition to the verified Platinum Plus Purifier System, application for verification of a catalyzed wire mesh filter (CWMF) system with FBC has been made to both the EPA and CARB. Recent tests at Southwest Research Institute of the new FBC/CWMF system generated over 65 percent particulate reduction and 75 percent reduction of hydrocarbons (HC) and carbon monoxide (CO). Once verified, the FBC/CWMF combination will provide a strong Level 2 control technology under CARB's diesel retrofit protocol.

James Valentine, CDT President & COO, commented, "These funds will allow us to complete the required field trials and third party testing required by EPA and CARB for verification, as well as to expand our sales and technical support functions in both the US and internationally. We expect to begin to generate significant revenues in the coming year". Valentine added, "Both the FBC/DOC and FBC/CWMF systems will be targeted at school bus fleets, delivery vehicles, refuse trucks, municipalities and some power-generation applications. The verified systems will provide lower cost solutions to end users without the problems of excessive NO₂ generation from traditional, heavily-catalyzed systems."

Along with expanding sales and marketing personnel, the Company expects to establish several partnerships in the near future to gain wider distribution for its verified emission reduction technologies.

The new CDT common shares will be issued in reliance on the exemption from registration under Regulation S under the US Securities Act for offshore private placements. Because the new shares are subject to transfer restrictions for a period of time, they may not be resold to persons in the US or US persons, but may otherwise be traded in the UK without other restrictions. Application for the shares to trade on the Alternative Investment Market (AIM) of the London Stock Exchange has been made and the shares will trade on AIM under the ticker symbol CDTI.

J.M. Finn & Co has been appointed brokers to the Company in London.

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 NO_x. 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.

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

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