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## **Clean Diesel Technologies, Inc. Provides Update on London Low Emission Zone**

### **Company expects fourth quarter to be largest revenue quarter in 2011**

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VENTURA, Calif., Dec. 27, 2011 /PRNewswire/ -- Clean Diesel Technologies, Inc. (NASDAQ:CDTI) ("Clean Diesel"), a cleantech emissions reduction company, announced today that Transport for London (TfL), the executive agency responsible for administration and regulation of the Greater London Low Emission Zone (LEZ), has reiterated its existing 28-day grace period for non-compliant operators of certain diesel-engine vehicles. Current LEZ regulations require operators to conform to a January 3, 2012 deadline for compliance with the Euro IV standard for particulate matter (PM). TfL also announced their intention not to penalize operators that have purchased a filter prior to January 3, 2012.

On December 16, 2011 TfL issued a statement to approved suppliers stating, "TfL operates a 28-day warning letter policy such that the first time a non-compliant vehicle is seen in the zone, the operator is issued with a warning letter and no action is taken for 28 calendar days. Should they drive a non-complaint vehicle in the zone thereafter, they will need to pay the daily charge or risk a penalty charge notice. In addition, should an operator be able to provide the TfL Contact Centre with evidence of a filter purchased (or a confirmed order, not able to be canceled without penalty) prior to January 3, 2012, TfL will not seek to penalize such operators."

The regulations currently in place for London are estimated to require 20,000 heavy duty diesel vehicles entering the LEZ to meet certain emission standards by January 3, 2012.

Charles F. Call, Chief Executive Officer of Clean Diesel, said, "TfL's action is understandable in light of the number of vehicles effected by the new emission regulation and is similar to actions they have taken in the past related to compliance deadlines. We were prepared for this possibility; however, it does not alter our view of the opportunity. We believe most of the retrofit activity under the London LEZ program occurred in the fourth quarter of 2011 and we have been very pleased with our success in winning business. We expect additional sales for the London LEZ to occur in the first quarter of 2012 as the remaining non-compliant operators make their retrofit decisions. Our team in London has performed very well, working closely with our distributor network to ensure their customers have the broadest portfolio of products to optimize their emission performance."

The LEZ was introduced in 2008 to encourage the most polluting heavy diesel vehicles driving in and around the city of London to become cleaner. The LEZ covers most of Greater London. To drive within it without paying a daily charge, these vehicles must meet certain emissions standards that limit the amount of PM emitting from their exhausts.

#### **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](http://www.cdti.com).

#### **Forward-Looking Statements Safe Harbor**

Certain statements in this news release, such as statements about the timing and expected sales of LEZ retrofit activity and expected revenues, 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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