



### **Clean Diesel Technologies Announces Licensing Agreement with Largest Diesel Engine Exhaust Company in China**

Milestone Agreement Opens Markets in China for Emissions Reduction Technologies

**Stamford, CT – April 8, 2008** – Clean Diesel Technologies, Inc. (NASDAQ:CDTI; XETRA:CDIA; AIM:CDT), the cleantech emissions reduction company, today announces it has licensed its Wire Mesh Filter (WMF) technology to Headway Machinery Co., Ltd. (Zhucheng City, China), the largest commercial diesel engine exhaust company in China.

This agreement enables Headway to develop the WMF technology in order to provide particulate matter (PM) emission reduction solutions to China-based truck manufacturers. The objective for Headway is to bring China in line with the Euro IV PM emission standards for light and medium duty trucks. China adopted the Euro IV emissions standards on January 1, 2008. Clean Diesel, in return, will receive an upfront licensing fee and royalties on all WMF units sold in China.

“This deal provides Clean Diesel comprehensive access to the world’s second largest automotive market,” said Dr. Bernhard Steiner, President and CEO of Clean Diesel Technologies. “This agreement reinforces the value of our technologies as cost effective, robust emission control solutions for use worldwide. We are very proud to be working with Headway Machinery.”

Headway CEO, Mr. Pei-hai Gao said, “Headway is the largest commercial diesel engine exhaust supplier in China. Combining our market reach with technologies from Clean Diesel, a world leader in the development of emissions reduction technologies, will help provide a cleaner future for China. Our cooperation combines the respective strengths of both parties, which includes deep market penetration on the one hand and proven effective technology on the other.” Mr. Gao added, “As the world pays more attention to environmental matters, and as China emphasises energy efficiency and pollution reduction, I am confident that our cooperation will have a long, enduring future. I see great success and a bright future for our two companies.”

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### **About Headway Machinery**

Headway Machinery, established in 1985, is based in Zhucheng City of the Shangdong Province. The company is China's largest tier-one automotive diesel exhaust supplier with market reach throughout China. For more information, please visit [www.headwaymachine.com](http://www.headwaymachine.com).

### **About Clean Diesel Technologies**

Clean Diesel Technologies (NASDAQ: CDTI) is a cleantech company providing sustainable solutions to reduce emissions, increase energy efficiency and lower the carbon intensity of on- and off-road engine applications. Clean Diesel's patented technologies and products allow manufacturers and operators to comply with increasingly strict regulatory emissions and air quality standards, while also improving fuel economy and power. The Company's solutions, which are in commercial use worldwide, significantly reduce emissions formed by the combustion of fossil fuels and biofuels, including particulate matter (PM), nitrogen oxides (NOx), carbon monoxide and hydrocarbons. Clean Diesel solutions also reduce carbon dioxide (CO<sub>2</sub>) emissions, a key greenhouse gas associated with global climate change.

Clean Diesel develops and manages intellectual property from original concept to full-scale commercial deployment. Its offerings include ARIS<sup>®</sup> Selective Catalytic Reduction (SCR); the patented combination of SCR and Exhaust Gas Recirculation; hydrocarbon injection for emissions control applications; Platinum Plus<sup>®</sup> Fuel-Borne Catalyst (FBC); the Purifier<sup>™</sup> family of particulate filter systems; and its Wire Mesh Filter particulate filter technologies. The Company was founded in 1995 and is headquartered in Stamford, Connecticut. A wholly owned subsidiary, Clean Diesel International, LLC, is based in London, England. For more information, please visit [www.cdti.com](http://www.cdti.com).

*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 U.S. 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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