



Clean Air Power Ltd
Unit 8, Lancaster Court
Coronation Road
Cressex Business Park
High Wycombe
Bucks HP12 3TD
Tel: +44 (0)1494 527110
Fax: +44 (0)1494 557737
www.cleanairpower.com

For Release

9 October 2008

Clean Air Power Ltd
("Clean Air Power" or "the Company")

Third Tranche Admission of Private Financing Package

Clean Air Power Limited (AIM: CAP), the developer of Dual-Fuel™ combustion technology that enables heavy-duty diesel engines to run on a combination of both diesel and natural gas, is pleased to announce that further to its press release on 13 March 2008 regarding its private financing package, it has now completed the third tranche of £0.5m. Application has been made for admission to trading of 3,125,000 Common Shares in relation to this third tranche and admission is expected to occur on or about 10 October 2008.

Following admission of the third tranche Placing Shares, Clean Air Power will have 38,443,877 Common Shares of US\$0.001 each in issue.

The above financing package was designed to provide a minimum of £2.5m and a maximum of £5m for the Company between April 2008 and June 2009. The majority of this funding is to be provided by Endeavor Capital Management LLC (Endeavor), a longstanding and major shareholder in the Company.

The first £2m has already been received in line with the original agreement in three tranches; £1m on 30 April 2008; £0.5m on 30 June 2008; and £0.5m on or before 10 October 2008. A further £1m is expected to be drawn in two tranches; £0.5m on or before 15 December 2008; and £0.5m on or before 31 January 2009.

The original £5m was made up of £0.35m from management and other existing investors and up to £4.65m from Endeavor with Endeavor's contractual obligation to fund up to £4.65m being conditional on the closing of certain of its funds. Since these funds have not yet closed, the contract provides that the absolute obligation is set at a level where the Company receives a minimum of £2.5m from this fundraising. In this case Endeavor has a continuing obligation to deliver the second £2.5m on a 'best efforts' basis until the funds close when the £4.65m obligation will become absolute. However, Endeavor has reaffirmed its intention to be able to deliver the full £4.65m prior to 30 June 2009.

John Pettitt, CEO of Clean Air Power, commented "We are very pleased that our funding deal remains on track under current market conditions. We believe that truck operators will look to reduce costs further in the potentially challenging economic times ahead. Under this climate we believe the financial savings delivered by Clean Air Power's technology will prove increasingly persuasive to both operators and manufacturers."

For further information please contact:

Clean Air Power

John Pettitt, Chief Executive
Peter Rowse, Finance Director

Tel: +44 (0) 1494 527110

Buchanan Communications

Charles Ryland/Ben Willey/Ben Romney

Tel: +44 (0)20 7466 5000



Clean Air Power Ltd
Unit 8, Lancaster Court
Coronation Road
Cressex Business Park
High Wycombe
Bucks HP12 3TD
Tel: +44 (0)1494 527110
Fax: +44 (0)1494 557737
www.cleanairpower.com

Canaccord Adams Ltd
Robert Finlay/Bhavesh Patel

Tel: +44 (0)20 7050 6500

Notes to Editors

About Clean Air Power

Clean Air Power is the developer and provider of Dual-Fuel™ combustion technology for heavy duty diesel engines. Dual-Fuel™ engines substantially cut fuel costs and carbon emissions without sacrificing the original engine's characteristic efficiency or reliability. Clean Air Power is well positioned to assist corporations and governments to deliver on their environmental commitments while at the same time reducing transport operators overheads.

Initially founded in the USA in 1991, around £40m has been invested in developing the technology with the result that 63 patents are currently held or pending. The holding company of the Group is based in Bermuda with operational subsidiaries in the UK, the USA and Australia. The Group was admitted to the AIM market of the London Stock Exchange in February 2006.

Further information on Clean Air Power is available at www.cleanairpower.com