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For Immediate Release

12 December 2008

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

**Fourth Tranche Admission of Private Financing Package**

Clean Air Power Limited (AIM: CAP), the developer of Dual-Fuel<sup>TM</sup> 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 fourth financing tranche of £0.5m. Application has been made for admission to trading of 3,746,761 Common Shares ("Placing Shares") in relation to this fourth tranche and admission is expected to occur on or about 15 December 2008.

Following admission of the Placing Shares, Clean Air Power will have 42,190,638 Common Shares of US\$0.001 each in issue, of which Endeavor Capital Management LLC ("Endeavor") will hold 16,495,689 Common Shares representing 39.1% of the enlarged share capital in the Company.

In addition, in accordance with the terms of the financing package, 1,873,380 warrants have been issued to Endeavor which, together with the 4,764,884 warrants issued to it under previous tranches of the financing result in Endeavour holding 6,638,264 warrants to subscribe for Common Shares. In total, the Company has 7,658,043 warrants outstanding, representing 18.15% of the total enlarged share capital of the Company.

The private 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, a longstanding and major shareholder in the Company.

The first £2.0m has already been received in line with the original agreement and a further £0.5m, being the proceeds of the fourth tranche, will be received on Monday 15 December 2008. A further £0.5m is expected to be drawn on or before 31 January 2009.

The original £5m commitment 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 did not close, 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 to have received this latest investment from Endeavor demonstrating their continued confidence in the Company's technology and prospects."



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**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](http://www.cleanairpower.com)