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Press Release

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

Dual Fuel Euro 5 Technology to be installed by Volvo Trucks

Clean Air Power Limited (AIM: CAP) is pleased to announce that on 2nd January 2009 it signed a Letter of Intent with Volvo Powertrain (Volvo) to incorporate Clean Air Power's Dual-Fuel™ technology into Volvo Truck engines.

Incorporating Clean Air Power's Dual-Fuel™ technology into these trucks will deliver significant greenhouse gas emissions reductions and fuel cost savings compared with standard diesel engines. Additionally these Dual-Fuel™ trucks are expected to be around 20% more efficient than equivalent spark ignited natural gas engines.

The letter of intent covers the development and commercialisation of products which will include Clean Air Power's technology and the intention is that they will be marketed and supported by Volvo Trucks.

The products will have the Clean Air Power technology fully interfaced with the Volvo engine management system and will be applied to Volvo's D13 engine. This will provide the opportunity for greater levels of gas substitution than Clean Air Power's existing Genesis system, with corresponding improved emissions and fuel cost reductions.

The Letter of Intent provides for certain milestones relating to gas substitution levels, emissions compliance, performance and durability testing. Clean Air Power is confident that these milestones will be achieved based on its prior experience of developing its technology on Volvo and other manufacturers engines. Some earlier variants of vehicles fitted with Clean Air Power technology are now more than seven years old and have completed more than one million miles in commercial operation.

It is intended that the Letter of Intent will be superseded by a formal contract by the middle of 2009. Work on the product development has been underway for some time. Clean Air Power and Volvo engineers will work together to develop the products and the agreement provides for Clean Air Power to receive revenue from Volvo during the project. The first commercial products are anticipated to be available in late 2009 or early 2010.

It is envisaged that Clean Air Power will be supplying its systems to Volvo who will arrange installation and will take the lead in marketing the product on new vehicles while Clean Air Power will support Volvo's activity and may carry out some conversions on customers' existing Volvo vehicles according to demand.

In addition and under Clean Air Power's own responsibility, the agreement provides that Clean Air Power will market its Genesis solution on Volvo FM D13 Euro 5 vehicles from early 2009 which will provide a revenue opportunity for Clean Air Power in the period prior to the launch of the final interfaced Volvo Powertrain product.



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Clean Air Power has been in discussions with Volvo for a significant period of time. In 2007, Clean Air Power developed a Dual-Fuel™ exhibition vehicle in conjunction with Volvo Trucks. This Volvo FM9 9 litre truck has since been exhibited at a number of truck shows around the world. In February 2008, Volvo Powertrain and Clean Air Power cooperated to produce a second exhibition vehicle, a Mack Pinnacle 13 litre truck which was exhibited at WIREC (Washington International Renewable Energy Conference) in the USA.

The Volvo Group is the largest truck engine manufacturer in the world and its truck brands include, Renault, Mack, Nissan Diesel and Volvo. Volvo is at the leading edge of technology developments to reduce emissions and improve efficiency.

John Pettitt, CEO, commented "This agreement represents a major step forward in the commercialisation of Clean Air Power's Dual-Fuel™ technology. It is a testament to the quality and credibility of our technical team and the simple effectiveness of our technology. We are delighted to be working with such a forward looking global manufacturer and believe Volvo's brand and resources will provide the ideal springboard for future sales growth. We see this as a very significant milestone which has now been successfully achieved."

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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