

For immediate release

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## **Clean Air Power Ltd**

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

### **Concept Development Agreement**

Clean Air Power (AIM : CAP), the developer of Dual-Fuel™ combustion technology that enables heavy-duty diesel engines to operate on a combination of diesel and natural gas, today announces that it has entered into a concept development agreement with Navistar, Inc. ("Navistar") to develop a MaxxForce 13 Natural Gas/Diesel Engine Program for the North American market.

The purpose of the development program is to utilise Clean Air Power's Dual-Fuel™ combustion technology to deliver an engine that achieves the US Environmental Protection Agency (EPA) 2010 emissions standard. Negotiations have been underway for two years during which time Navistar has evaluated a number of different environmental technologies and chose Clean Air Power's Dual-Fuel™ technology.

Clean Air Power will spend approximately \$1.5m on developing the concept over the next 10 months. During this time, in preparation for production and the next stage of development, Navistar and Clean Air Power will together seek US grant funding for full production.

North America has adopted natural gas as its preferred road fuel for heavy goods vehicles and natural gas is being supported by grant funding from various government departments including the Department of Energy. Additionally, the proposed Natural Gas Act aims to extend and increase available tax credit for natural gas vehicles.

Subject to a successful Concept Ready Phase, the agreement will then enter a second stage known as the Product Development Phase which will deliver a U.S. EPA 2010 certified engine.

Commenting on the agreement with, John Pettitt, CEO of Clean Air Power said:

"We are very encouraged to be entering into this agreement with Navistar as it represents further recognition of our unique technology. There is a considerable potential benefit to Clean Air Power in the medium term once we have completed the concept development stage.

Jack Allen, president of Navistar's North American Truck Group, said "by working with Clean Air Power we will be developing a Dual Fuel engine that will provide customers with a true big bore natural gas powered engine. The MaxxForce 13 natural gas engine will meet Class 8 customer weight and performance requirements, which are not being met by competitive products today."

#### **For further information:-**

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**+44 (0)20 7953 2000****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 62 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)

**About Navistar International Corporation**

**Navistar International Corporation (NYSE: NAV)** is a holding company whose subsidiaries and affiliates produce International® brand commercial and military trucks, MaxxForce® brand diesel engines, IC brand school and commercial buses, the Monaco®, Holiday Rambler®, Safari®, Beaver®, McKenzie™ and R-Vision® brand RVs, and Workhorse® brand chassis for motor homes and step vans. It also is a private-label designer and manufacturer of diesel engines for the pickup truck, van and SUV markets. The company also provides truck and diesel engine and service parts. Another affiliate offers financing services.