

Market Developments - 27 September 2006

Clean Air Power Ltd (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 notes further positive developments in its target Australian market.

The Company has been informed that Wesfarmers Limited will invest up to \$138 million to construct a 175 tonnes per day liquefied natural gas plant in Western Australia, with accompanying infrastructure to supply LNG for heavy duty vehicles, industrial gas and remote power markets. The plant will be on stream in 2008.

The Directors of Clean Air Power believe that this commitment is a clear indication of support for a large number of trucks which use its Dual-Fuel™ technology, and will be a platform for growth as more vehicles adopt similar technology.

Commenting on these developments, John Pettitt Chief Executive of Clean Air Power said:

"Australia is a key market for Clean Air Power technology and the announcement by Wesfarmers illustrates the rapid build in demand for LNG for long distance transportation. The investment is a clear indication that Dual-Fuel solutions are being adopted to generate more cost effective operations and Clean Air Power is well positioned to supply in to this market."

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