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Clean Air Power Ltd

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

Trading update

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, has today provided an update to recent trading and the prospects for 2011.

As reported previously the delay of a new gas facility in Tasmania has resulted in a backlog in the delivery of units into the Australian market. The LNG liquefaction plant is not yet fully operational but the Company is beginning a roll out of products into the Australian market. However, this will come too late in the current year to have any significant impact on sales, but the Company is confident that prospects for 2011 in this area are very promising.

The agreement between the Company and Volvo which was announced in July is progressing to plan with operational trial vehicles now entering the market prior to start of production of the Volvo factory product in 2011.

As previously mentioned, good progress is being witnessed with Navistar, Inc. The objectives for the first phase of development have been achieved and discussions are underway with regard to phase 2 of the programme.

Both the Components and Emissions business units are performing to plan and continue to generate cash for the business. Revenue from the Company's retro fit Dual-Fuel™ sales has been significantly lower than expected due to the focus on the OEM interfaced product with Volvo.

As a direct consequence of the above factors, the Company anticipates that revenues for the year to 31 December 2010 will be significantly below current market expectations. The Board remains positive about the prospects for the Company in 2011 and, as indicated previously, expects many of the sales which have not come through in the current year to be recognised in 2011. While cash generation in 2010 has been lower than previously anticipated due to the slippage of revenue realisation, following the £2.25m fund raising which was successfully closed in September, the Company is well capitalised and continues to pursue opportunities in a number of areas of interest. The Board remains confident of the Company's outlook and looks forward to building upon the solid progress that has been made this year.

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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.

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