

For immediate release

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Clean Air Power plc

(“Clean Air Power” or “the Company”)

‘Genesis’ Dual-Fuel™ product launch

Clean Air Power plc (AIM : CAP) today announces an important technology milestone with the launch of a new core product, the Genesis Dual-Fuel™ system. The first Genesis vehicle was delivered on-time to Warburtons bakery.

The Genesis Dual-Fuel™ system is a generic, retrofit technology which is applicable to any heavy goods vehicle. This enables vehicles to substitute a high proportion of natural gas for diesel fuel, with similar efficiency and performance as the diesel truck. This can save up to £10,000 per vehicle, per annum in fuel costs.

Genesis is based on Dual-Fuel™ technology developed by Clean Air Power, already in use on over 1600 vehicles. The technology uses natural gas, ignited by a small injection of diesel, to power the virtually unmodified diesel engine. Dual-Fuel™ delivers diesel-like performance and efficiency whilst reducing harmful emissions and CO₂.

Genesis is an aftermarket product which has been developed to be generic, applicable to most Euro 3 heavy trucks. The product will be launched on a DAF CF85 platform and will be available in both right and left-hand drive with the ability to operate on either compressed natural gas (CNG) or liquefied natural gas (LNG).

This initiative is soon to be followed by a Genesis application to the Mercedes Axor vehicle platform. The first prototype Axor vehicle is part of a trial with a major supermarket to evaluate the benefits of operating on clean natural gas. Through Genesis, Clean Air Power provides customers with the commercial and environmental benefits of operating on natural gas. With the choice of the DAF CF85 (the UK’s most popular truck, with 22% of the market) and the Mercedes Axor (Fleet Truck of the Year 2005) these developments appeal to the company’s widest customer base. Further Genesis-equipped vehicle brands will follow according to customer demand.

John Pettitt, Chief Executive of Clean Air Power, commented;

“Genesis delivers significant and practical fuel-cost saving to the operator of around £10,000 per truck, per year. A Genesis Dual-Fuel™ truck could save up to 25 metric-tonnes of CO₂ per year, compared to its diesel stable-mate. If the whole of the UK’s articulated lorry fleet were to be equipped with Genesis, the total CO₂ saving would be approximately 3.5 Million metric tones per year - approximately 2% of the UK’s total CO₂ output. I am sure our technology can make a significant, positive and vital contribution in the future.”

For further details please contact

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NOTES TO EDITORS

- Clean Air Power began trading on London's Alternative Investment Market (AIM:CAP) on 28th February 2006
- Founded in 1991, the company is an active technology developer with over 58 patents held and pending worldwide. Clean Air Power has a proven track record in providing customers with a rapid return on investment and remarkably low total cost of ownership. Their technologies meet even the most stringent local emissions regulations without sacrificing diesel's formidable power or efficiency.
- Dual-Fuel™ is currently used in over 1,600 vehicles worldwide by more than 50 customers.
- Clean Air Power has headquarters in San Diego, California, USA, facilities in Houston, Texas, USA and Leyland, Lancashire, UK and offices in Oxford, UK.
- Around 590,000 heavy-duty diesel trucks are sold each year in the world. The total global diesel engine market is worth \$40 billion and diesel engines form the backbone of most economies: both the UK and the US move 80 per cent or more of all freight by heavy-duty diesel engine powered transport.
- The Company plans to increase its market penetration in the UK, Australia and the US. Its goal is to become a major global provider of combined diesel and natural gas technology solutions to truck hauliers worldwide by offering operators a generic retrofit Dual-Fuel™ solution, known as "Genesis" while developing partnerships with leading engine OEMs.
- Dual-Fuel™ technology enjoys considerable competitive advantages, including:
 - Fuel cost savings that result in a conversion cost payback period as short as 12 months and an average payback period of between one and two years.
 - Diesel-like performance and efficiency alongside the benefit of emissions reduction associated with natural gas vehicles.
 - Proven technology, with more than 1,600 trucks fitted with Dual-Fuel™ converted engines worldwide.
 - No need for any major modifications to the existing platform and the ability to switch seamlessly between natural gas and diesel.
 - Forecast continuation of a significant price differential between diesel and natural gas over the next 25 years.
 - Proprietary technology, know-how and strategic relationships across all business lines.
- In addition to combined diesel and natural gas fuel systems for heavy-duty vehicles, the Company focuses on two further product lines: a profitable natural gas engine components business and an emissions reduction technology business focused on reducing the emissions of heavy diesel engines used in power generation and pumping.
- The Climate Change Programme review projects that new and existing policies would deliver a cut of 15 to 18%. The government wants people to cut their personal emissions and is promising a stricter emissions cap for industry. It is also pledging £80m over next three years for microgeneration projects and tighter building regulations.