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**Clean Air Power Limited
("Clean Air Power" or the "Group")**

Trading Update

Clean Air Power (AIM:CAP), the developer and global leader in Dual-Fuel engine management software for heavy duty vehicles, is pleased to provide an update on trading for the six month period ending 30 June 2013. Revenues for the period were £4.1m (2012: £3.9m which included a £0.8m one-off revenue item from Navistar).

In the first half 172 system sales have been delivered (2012: 116) and in the year to date more than 180 additional customer orders have been placed with either Clean Air Power or our European OEM partner for Dual Fuel systems bringing the total more than 350. This compares to 300 system sales during the entire year ended 31 December 2012.

Clean Air Power has continued to make significant progress during the year developing a Dual-Fuel product suitable for the important US market and exhibited its first prototype vehicle retrofitted with a US version of its Genesis-EDGE product at the Alternative Clean Transportation EXPO, Washington DC., 24-27 June 2013. The vehicle was well received by attendees at the EXPO with more than 150 visitors to the stand. Clean Air Power anticipates that the first trial vehicles will be on the road and undergoing validation by the end of 2013, with production commencing in early 2014.

Clean Air Power's plans to develop the Russian market are also progressing well with a number of opportunities to access the market being actively pursued. The Russian Government is encouraging major gas supply companies to implement clear strategies to develop natural gas as a road fuel. As a result gas companies have begun investing heavily in gas refuelling infrastructure and this is expected to lead to an increase in demand for natural gas vehicles in the future.

The Group has also continued to develop and improve its European Dual-Fuel products and earlier in the year announced the start of a 2-year funded research project with Brunel University to develop the next generation of advanced Dual-Fuel combustion systems funded by the UK Government's Technology Strategy Board.

John Pettitt, Chief Executive of Clean Air Power said:

"I am pleased that Clean Air Power has already received system sales orders in 2013 exceeding that for the full year in 2012. Despite production constraints of Dual-Fuel vehicles by our European OEM partner we have seen an encouraging pick-up in momentum at the start of the second half of the year. In the US, the exhibition of our first prototype Dual-Fuel vehicle was an important milestone in our development of a US Genesis-EDGE product, which has the potential to generate significant revenue for the Group and further validate our technology to potential new OEM partners in the US,

Europe and Japan. The trend towards the adoption of natural gas vehicles around the world continues, driven by cost savings, reductions in emissions and increasing investment in new refuelling stations by major gas supply companies. Our plans to develop markets in Europe, US and Russia means Clean Air Power is well positioned to benefit from this worldwide trend."

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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 £50m has been invested in developing the technology with the result that 65 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