



Clean Air Power Ltd
Aston Way
Leyland
Lancashire PR26 7UX
United Kingdom
Tel: +44(0) 1772 624499
Fax: +44(0) 1772 436495
www.cleanairpower.com

3 September 2015

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

Sale to Vayon Holdings Limited and Petition to Appoint Joint Provisional Liquidators

Clean Air Power (AIM: CAP), the global leader in the development and delivery of compression-ignited natural gas systems and software for heavy duty vehicles, today announces that it has exchanged contracts with Hardstaff Dual Fuel Technology Limited ("Hardstaff"), a subsidiary of Vayon Holdings Limited, for the sale of the Company's subsidiaries on a going concern basis.

Due to the financial position of the Company and its subsidiaries (the "Group"), the Company filed a petition with the Supreme Court of Bermuda on 2nd September for the appointment of joint provisional liquidators ("JPLs") to the Company. Michael Morrison and Charles Thresh of KPMG Bermuda have been appointed to act in that capacity. The transaction is subject to a Court Order from the Supreme Court of Bermuda sanctioning the JPLs' approval of the transaction and it is anticipated that the transaction will be completed later today.

Once the transaction is completed, the JPLs will manage the statutory process and any distributions to shareholders will be made in due course. The total consideration is £250,000 plus the Company's net cash at completion. However, this amount will be subject to a US lease renegotiation and transaction fees such that the return to shareholders is expected to be minimal. The Company intends to cancel its admission to trading on AIM as soon as reasonably practicable.

Rodney Westhead, Chairman of Clean Air Power Limited, commented: *"As noted in previous trading updates, the fall in oil prices globally has had a drastic impact on sales in the US and Russia. This significant challenge to the business was compounded by our customer on the South East Asian program deciding in June this year to extend testing rather than to proceed directly to the full production program as anticipated. These circumstances created significant pressure on the Group's cash flows. The Board, supported by KPMG, has conducted an exhaustive strategic review, exploring a range of refinancing and restructuring options to maximise the value of the Group, but the response from potential investors and buyers was disappointing. The Group could not continue without financial support and, therefore, the Board is satisfied that this was the best course of action."*

For further information, please contact:

Clean Air Power

Rodney Westhead, Chairman

Tel: +44 (0)7785 292896

Citigate Dewe Rogerson

Malcolm Robertson

Tel: +44 (0)20 7282 2867

KPMG Bermuda

Mike Morrison

Charles Thresh

Tel: +1 (441) 295 5063

KPMG Corporate Finance

Jonathan Boyers

Paul Dolyniuk

Tel: +44 (0)20 7311 1000

Panmure Gordon

Corporate Finance

Freddy Crossley/Atholl Tweedie

Corporate Broking

Tom Salvesen

Tel: +44 (0)20 7886 2500

Peat & Co

Charlie Peat

John Beaumont

Tel: +44 (0)20 3540 1721

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