

12 August 2015

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

**Suspension of Trading on AIM
Update on the Review of Strategic Options
Directorate Changes**

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, announces that it has applied for suspension of trading in the Company's ordinary shares on AIM with effect from 7.30am today. This follows the review of the Group's strategic options announced on 23rd June 2015 and updates to that review announced on 15th and 28th July 2015. A further update is set out below. The Board also announces that Mr John Pettitt and Mr Neill Skinner will be stepping down as directors of Clean Air Power with immediate effect for the sole reason of ensuring ongoing compliance with the Bermudan Bye-Laws required following the resignation of Dr. Ulrich Wöhr and Prof. Dr. Karl-Viktor Schaller as directors of the Company as announced on 3rd August 2015.

Update on the Review of Strategic Options

The Board confirms that it is in detailed discussions which may or may not lead to an offer for all or part of the Group. The terms and basis of any offer have not yet been finalised but, as previously stated, the Board can provide no assurance on the value that would be returned to shareholders.

As the Group's holding company is based in Bermuda the Board, as advised by KPMG, is considering the options which are available under Bermudan and local jurisdictions to execute a transaction given the pressing short-term financial constraints under which the Group continues to operate. In the circumstances the Company has requested that trading in the Company's shares on AIM be suspended pending the outcome of the discussions and resulting clarification of the Company's financial position.

Directorate Change

The Bye-Laws of the Group's Bermudan holding company require that, at all times, there must be a majority of Directors on the Board who are non-resident in the UK for tax purposes. Following the resignation of Dr. Ulrich Wöhr and Prof. Dr. Karl-Viktor Schaller, as announced on 3rd August 2015, this majority was no longer in place.

The Board, with its legal advisers, has considered a number of options and concluded that, at this stage in the strategic review process, it would not be practical or appropriate to recruit new directors who are non-resident in the UK for tax purposes to replace Dr. Wöhr and Prof. Dr. Schaller on the Board.

Therefore, in order to preserve the required majority, and thus ensure ongoing compliance with the Bye-Laws, the Board agreed that Mr Pettitt and Mr Skinner will resign as directors of the Company with immediate effect.

Mr Pettitt and Mr Skinner will remain employees of the Company and will provide full support to the Board as the strategy review process is concluded and will continue to serve as directors of the US and UK subsidiary companies.

The Board hopes to update shareholders with further details of the strategic review shortly.

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