

For immediate release

12 January 2011

**Clean Air Power Ltd**

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

**Supply Agreement**

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, is pleased to announce a supply agreement with Volvo Bus Corporation which will see Clean Air Power deliver 11 Dual-Fuel™ systems to Volvo Bus Corporation and is valued at circa £200,000. Volvo Bus Corporation is one of the world's largest manufacturers of buses and bus chassis.

The supply agreement follows on from the development agreement signed with Volvo Bus Corporation in July 2010 which stated that Clean Air Power and Volvo would jointly develop the installation of Dual-Fuel™ systems provided by Clean Air Power on existing bus engines to make it possible for buses from Volvo to run on Dual-Fuel in the future.

The 11 Dual-Fuel™ systems will be fitted directly onto the buses on the Volvo production line and these buses are expected to be in service in Sweden by July 2011. Once in service, the 11 vehicles will be the first Volvo buses to operate on both biogas and diesel as part of a Swedish government backed project. Using diesel technology increases environmental efficiency by up to 30-40% compared with current gas-operated buses. Due to this positive environmental impact, this project is receiving considerable support from the Swedish government who are contributing almost SEK 24m (£2.25m) of funding towards the project through the Swedish Energy Agency.

Further to this agreement, the Company is in follow-on discussions with Volvo Bus Corporation regarding the joint development of Dual Fuel™ engines for the next generation of Volvo Buses and bus chassis.

This supply agreement is separate from the supply agreement signed with Volvo Powertrain in July 2010, and represents a further extension to the relationship which began in 2007.

Commenting on the agreement, John Pettitt, CEO of Clean Air Power, said:

"We are delighted to announce this supply agreement as it represents a further endorsement of the significant recognition that Volvo has for our technology and the work that we have done together to date. It is the first time that we have received a supply agreement from this division of Volvo and hope that this successful agreement may lead to further opportunities with Volvo Bus Corporation in the future."

**For further information:-**

Clean Air Power Ltd 01772 624499  
John Pettitt  
Peter Rowse

Charles Stanley Securities 020 7149 6000  
Nominated Adviser and Broker  
Russell Cook / Carl Holmes

Buchanan Communications 020 7466 5000  
Charles Ryland / Ben Romney

**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](http://www.cleanairpower.com)