



Clean Diesel Technologies

Clean Diesel Technologies, Inc.
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October 22, 2010

To the Former Stockholders of Catalytic Solutions, Inc.:

We are excited to welcome you as a stockholder of Clean Diesel Technologies, Inc. As you likely know, on Friday, October 15, 2010, one of our subsidiaries merged with and into Catalytic Solutions, Inc. ("CSI"), and CSI thereby became a wholly-owned subsidiary of Clean Diesel.

Our common stock will trade for the initial 20-day period under the special symbol "CDTID", with the last letter denoting the one-for-six reverse stock split that was effected immediately prior to the Merger in order to satisfy listing requirements of the NASDAQ Capital Market. After that 20-day period, Clean Diesel common stock will revert to trading under our regular symbol "CDTF".

Prior to the Merger, CSI amended its charter to redesignate its previously outstanding common stock as Class A common stock and to create a new CSI Class B common stock. Following an additional \$2 million investment, holders of the entire \$4 million principal amount of our secured convertible notes outstanding prior to the Merger converted such notes into CSI Class B common stock.

By virtue of the Merger, each share of CSI Class A common stock was converted into and became exchangeable for 0.007888 fully paid and non-assessable shares of Clean Diesel common stock on a post-split basis (0.04732553 on a pre-split basis) with any fractional shares to be paid in cash and warrants ("Clean Diesel Warrants") to acquire 0.006454 fully paid and non-assessable shares of Clean Diesel common stock for \$7.92 per share on a post-split basis (0.03872267 shares for \$1.32 per share on a pre-split basis).

By virtue of the Merger, each share of CSI Class B common stock was converted into and became exchangeable for 0.010039 fully paid and non-assessable shares of Clean Diesel common stock on a post-split basis (0.06023308 on a pre-split basis) with any fractional shares to be paid in cash. No Clean Diesel Warrants were issuable with respect to the CSI Class B common stock.

We have appointed American Stock Transfer to act as Exchange Agent for the purpose of exchanging your existing stock certificates representing common stock for a new certificate representing the Clean Diesel common stock and, in the case of holders of CSI's Class A common stock, Clean Diesel Warrants.

With certain exceptions, Clean Diesel common stock issued to the former holders of CSI Class A common stock will be freely transferable. The Clean Diesel Warrants, however, are non-transferable except in very limited circumstances.

We urge you to read carefully the materials accompanying this letter, which include a Letter of Transmittal. In order to receive your Clean Diesel stock certificate, any Clean Diesel Warrants to which you may be entitled, and the cash payment for any fractional shares, you must complete, sign, date and return the enclosed Letter of Transmittal together with your CSI stock certificates in accordance with the provisions of the Letter of Transmittal and the enclosed instructions.

Each person listed on your CSI stock certificates as a registered holder must sign the Letter of Transmittal. **You should complete, date, sign and return the enclosed Letter of Transmittal to American Stock Transfer and Trust Company, along with all of your certificates representing CSI common stock. Please note that non-US stockholders are not required to complete the W-9 portion of the Letter of Transmittal but are required to complete the enclosed Form W-8BEN. We suggest that you mail the shares in a traceable manner such as registered mail or overnight courier.**

If you hold more than one certificate representing CSI common stock, you must surrender all such certificates registered in your name. Only upon receipt of all such certificates representing CSI common stock and your properly completed Letter of Transmittal will American Stock Transfer and Trust Company mail to you your Clean Diesel stock certificate, any Clean Diesel Warrants to which you may be entitled, and the cash payment for any fractional shares.

Please note that, because the Clean Diesel Warrants are non-transferable, any request to have the Clean Diesel Warrants delivered to a different address or registered in a different name will be deemed to be a representation by you that there is no change in beneficial ownership effected thereby.

Again, if you have any questions about the foregoing, please contact American Stock Trust & Transfer Company, LLC toll-free at (877) 248-6417 or at (718) 921-8317.

By order of the Board of Directors



Nikhil A. Mehta
Chief Financial Officer