



PRESS RELEASE

Westport Reports First Quarter Fiscal 2009 Financial Results

August 5, 2008

Revenues grow 62% to new quarterly record

VANCOUVER, BC – Westport Innovations Inc. (TSX:WPT), a global leader in alternative fuel, low-emissions transportation technologies, today reported financial results for the first quarter of Fiscal Year 2009 ended June 30, 2008, and provided an update on operations.

“The environmental benefits of our natural gas engines have always been understood, but with the rapid rise in oil prices over the past three years we are now offering significant economic benefits as well,” said David Demers, Westport’s Chief Executive Officer.

“We are seeing substantial growth from both bus and truck OEM customers as a result. Our program with the San Pedro Bay Ports reached a new milestone with the selection of Sterling and Kenworth trucks using our engines as the only qualifying alternative fuel vehicles for this major program. The Ports have announced a Jumpstart order for 100 Sterling trucks with CWI engines and 100 Kenworth T800 trucks with Westport ISX LNG fuel systems. And this quarter we announced major new programs to deliver HPDI technology on Weichai engine platforms in Asia and on engine platforms of a leading European engine manufacturer. We look forward to continued strong growth throughout 2009.”

First Quarter Financial and Business Highlights

- Consolidated quarterly revenues of \$25.5 million for Q1 FY2009 increased \$9.8 million (62%) from \$15.7 million for Q1 FY2008.
- First quarter FY2009 net loss of \$3.5 million (\$0.13 loss per share) compared to a net loss of \$4.7 million (\$0.22 loss per share) for Q1 FY2008.
- Westport announced a joint venture agreement with Weichai Power Co., Ltd., China’s largest heavy-duty engine manufacturer, and Hong Kong Peterson (CNG) Equipment Limited. The joint venture will develop, manufacture, sell and distribute alternative fuel engines for use in various applications including automobiles and heavy-duty trucks.
- Westport signed an agreement with a leading European engine manufacturer to integrate and test Westport’s fuel systems on the manufacturer’s engine platforms.
- Invested \$1.5 million in Juniper Engines Inc., Westport’s joint venture with OMVL of Italy.
- Westport received its largest non-port ISX LNG order to date; HayDay Farms in California will acquire 20 Kenworth LNG trucks with Westport HPDI technology.
- Subsequent to the quarter end, Westport effected 3.5:1 share consolidation.

First Quarter Fiscal Year 2009 Financial Results in Detail

Westport’s consolidated revenue for the three months ended June 30, 2008 was \$25.5 million compared to \$15.7 million for the three months ended June 30, 2007, an increase of \$9.8 million or 62%. CWI product revenues increased by 72% with deliveries of the ISL G and as a result of orders that slipped from the previous quarter. Non-CWI revenues decreased by \$0.7 million in the period with continued delays at the Ports of Los Angeles and Long Beach.

Net loss for the three months ended June 30, 2008 was \$3.5 million (\$0.13 loss per share), compared to a net loss of \$4.7 million (\$0.22 loss per share) in the same period in fiscal 2008, an improvement of \$1.2 million. The improvement was due primarily to the increase in net gain after taxes on sale of long-term investments of \$2.2 million and a \$1.0 million improvement in contribution from CWI after taxes (and JV partner’s share), offset by a \$2.7 million increase in non-CWI expenses related primarily to the launch of Westport’s LNG systems for heavy duty applications.

Interest on long-term debt and amortization of discount decreased by \$0.8 million as a result of decreased debt on Perseus LLC conversion of convertible notes to common shares in July 2007. Westport also recognized a \$0.1 million foreign exchange gain in the three months ended June 30, 2008 compared to a loss of \$0.5 million in the three months ended June 30, 2007.

Research and development expenses, on a net basis, for the three months ended June 30, 2008, were \$7.2 million compared to \$5.4 million for the same period last year. CWI research and development expenses decreased by \$0.4 million as a result of foreign exchange as well as flooding in Indiana in June 2008, which shut down the Cummins Technology Center. Non-CWI research and development expenses increased by \$2.1 million largely because of increased product development and support costs, lower government funding in the period, and a \$0.3 million accrual for royalty payments to the Industrial Technologies Office, formerly Technology Partnerships Canada.

Westport’s cash and cash equivalents balance as at June 30, 2008 was \$18.0 million compared to \$22.8 million as at March 31, 2008. CWI’s gross margins increased to \$8.2 million from \$5.1 million on higher revenues. Cash used in operations for the three months ended

June 30, 2008 was \$5.0 million compared to \$4.5 million in the comparable period of the prior year, with \$2.7 million used in the period to acquire inventory. Westport also spent \$2.3 million on purchases of equipment, furniture and leasehold improvements, primarily associated with the building of Westport's assembly centre and expansion of office space. Westport invested \$1.5 million in Juniper Engines Inc. acquiring a 49% equity interest in the joint venture with OML, SpA. Westport received \$5.2 million from the sale of shares of Clean Energy.

Subsequent to June 30, 2008, on July 3, 2008, Westport issued 15,000 debenture units for total gross proceeds of \$15 million. Each debenture unit consists of an unsecured subordinated debenture in the principal amount of \$1,000 bearing interest at 9% per annum and 51 Common Share purchase warrants exercisable into Common Shares at any time for a period of two years from the date of issue at \$18.73 per share. Westport has the option to redeem the debentures at any time after 12 months and before 18 months from the date of issue at 115% of their principal amount and at 110% of their principal amount after 18 months. Interest is payable semi-annually and the debentures mature on July 3, 2011. Westport also issued 46,118 broker warrants which are exercisable into Common Shares at a price of \$16.10 per share for a period of two years from the date of issue.

On July 21, 2008, Westport effected a 3.5:1 share consolidation of its issued and outstanding shares. As a result of the share consolidation, as at July 25th, Westport had approximately 27,509,573 Common Shares issued and outstanding.

Cummins Westport Inc. (CWI) Business Unit Highlights

During the quarter, Cummins Westport Inc. shipped 1,077 units with revenues of US\$24.8 million representing an 84% revenue growth over the same quarter last year. During the first quarter, major orders consisted of the San Diego Metropolitan Transit System ordering 250 CWI ISL G engines to be installed in New Flyer, 40-foot, low-floor vehicles and UPS ordering additional CWI engine-based trucks. The OEM growth in the first quarter of 2009 for CWI came from Sterling trucks. In May, CWI announced the ISL G was selected by Sterling trucks to be offered in their first natural gas vehicle.

Westport Global Heavy Duty Business Unit Highlights

On July 7, 2008, the Port of Long Beach announced \$35 million in funding to purchase heavy-duty trucks to jumpstart the Clean Trucks Program. Included in the funding is the purchase of 100 Sterling LNG-powered trucks utilizing the CWI ISL G engine. On July 14, 2008, the Port of Long Beach approved an additional US\$19.7 million for the purchase of 100 Kenworth LNG trucks utilizing the Westport ISX G engine, under the same jumpstart initiative for the Clean Trucks Program

During the quarter, Westport reported an order for 20 Class 8 heavy-duty Kenworth T800 trucks with Westport's HPDI technology from HayDay Farms in California for operation in regional hauling applications. This is Westport's largest non-Port order to date.

In July, Westport signed a 30-year joint venture agreement with Weichai Power Co., Ltd. and Hong Kong Peterson (CNG) Equipment Limited, creating a new entity, Weichai Westport Inc. The joint venture company will research, develop, design, manufacture, market, distribute, and sell advanced, alternative fuel engines (and relevant parts and kits) for use in automobiles, heavy duty trucks, power generation and shipping applications. In China, the demand for cleaner fuel with economic advantages over traditional fuels, such as natural gas, is increasing, with an estimated 185,000 natural gas vehicles already in China and a growing infrastructure to support them.

In July, Westport entered into a development agreement with a leading European engine manufacturer on the proprietary High Pressure Direct Injection (HPDI) fuel system operating with natural gas and biogas. Westport and the European engine manufacturer will work together to integrate and test Westport's HPDI fuel system on their engine platforms.

Results Conference Call

To coincide with the disclosure, Westport has scheduled a conference call for Tuesday, August 5, 2008 at 7:00am Pacific Time (10:00am Eastern Time). The public is invited to listen to the conference call in real time or by replay. To access the conference call by telephone, please dial: 800-952-4972 (North America Toll-Free) or 416-641-2140. To access the replay after the call, please dial 800-408-3053 or 416-695-5800 using the passcode #3267784. The replay will be available until August 12, 2008, however, the webcast will be archived on Westport's website. The webcast of the conference call can be accessed on the Westport website at www.westport.com by selecting "Investors" and then "Investor Overview" from the main menu. Replays will be available in streaming audio on the same website after the conclusion of the conference call.

To view Westport's full First Quarter FY2009 financials, please point your browser to the following link:
<http://www.westport.com/investor/financial.php>.

About Westport

Westport, a division of Westport Fuel Systems Inc., engineers the world's most advanced natural gas engines and vehicles. We work with original equipment manufacturers worldwide from design through to production, creating products to meet the growing demand for vehicle technology that will reduce both emissions and fuel costs. To learn more about our business, visit www.westport.com, subscribe to our RSS feed, or follow us on Twitter [@WestportDotCom](https://twitter.com/WestportDotCom).

Cautionary Note Regarding Forward Looking Statements

This document contains forward-looking statements, including statements regarding the demand for our products, the future success of

our business and technology strategies, investment, cash and capital requirements, intentions of partners and potential customers, the performance and competitiveness of our products and expansion of product coverage, future market opportunities, speed of adoption of natural gas for transportation, growth in demand as a result of new emission standards and terms of future agreements. These statements are neither promises nor guarantees, but involve known and unknown risks and uncertainties and are based on assumptions that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activities, performance or achievements expressed in or implied by these forward looking statements. These risks and assumptions include risks and assumptions related to our revenue growth, operating results, industry and products, the general economy, conditions of and access to the capital and debt markets, governmental policies and regulation, technology innovations, fluctuations in foreign exchange rates, global government stimulus packages, the acceptance of natural gas vehicles in fleet markets, the relaxation or waiver of fuel emission standards, the inability of fleets to access capital or government funding to purchase natural gas vehicles, the sufficiency of bio methane for use in our vehicles, the development of competing technologies as well as other risk factors and assumptions that may affect our actual results, performance or achievements or financial position discussed in our most recent Annual Information Form and other filings with securities regulators. Readers should not place undue reliance on any such forward-looking statements, which speak only as of the date they were made. We disclaim any obligation to publicly update or revise such statements to reflect any change in our expectations or in events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward looking statements except as required by National Instrument 51-102.

More Information

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