



PRESS RELEASE

Westport Reports Second Quarter Financial Results

November 6, 2008

A Record Quarter: 84% Increase in Year Over Year Revenue

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

“A record quarter for revenue, significant cash position, a proven, capital-efficient business model and partnerships and joint ventures established with some of the world’s largest engine producers has Westport poised for further growth,” said David Demers, Westport’s CEO.

“Despite tough economic conditions, our international sales channels focused in vertical markets in government and municipal fleets are better positioned to weather the storm. Targeting niche markets, both domestically and internationally, where significant growth opportunities remain has successfully provided an economic diversity in our sales campaign. The recent sale to the Delhi Transport Corporation (DTC), our largest single order to date, is a prime example of our international reach where markets are still developing. We will continue to invest in our growth and product development as energy security and the direction to reduce dependency on foreign oil continues to drive interest for high performance engines running on clean domestically available natural gas.”

Second Quarter Financial and Business Highlights

- Reported consolidated revenues of \$39.0 million for the quarter ended September 30th compared to \$21.2 million for the same period last year, an increase of 84%.
- Reported consolidated revenues of \$64.5 million and \$36.9 million for the six months ended September 30, 2008 and 2007 respectively, an increase of 75%.
- Reported net income of \$0.7 million (\$0.02 earnings per share) for the period ending September 30, 2008 compared to a net loss of \$4.9 million (\$0.19 loss per share) for the same period last year. During the quarter, Westport recognized \$9.8 million in investment gains, net of taxes, on the sale of Clean Energy Fuels Corp. (“Clean Energy”) shares.
- Reported a net loss of \$2.8 million (\$0.10 per share) compared to \$9.6 million (\$0.41 per share) for the six months ended September 30, 2008 and 2007, respectively.
- Reported a cash and short term investments balance as at September 30, 2008 of \$96.8 million compared to \$22.8 million as at March 31, 2008.
- Commenced trading on Nasdaq Global Stock Market in addition to successfully completing a US\$54 million financing.
- Received an order from CleanAir Logix for liquefied natural gas (LNG) engines and fuel systems for heavy duty trucks to be deployed at Port of Oakland
- Cummins Westport received order in Lima, Peru for over 200 natural gas bus engines; a new market
- Received a Leadership Award at the 2008 Deloitte Technology Fast 50 Awards
- Delivered 69 HD Trucks and reported a 184% increase in heavy duty business revenue in comparison to the same quarter last year

Second Quarter Fiscal Year 2009 Financial Results in Detail

Westport’s consolidated revenue for the three months ended September 30, 2008 was \$39.0 million compared to \$21.2 million for the three months ended September 30, 2007. The increase in revenue is due primarily to a significant increase in sales of CWI products combined with a \$3.5 million increase in revenue for Heavy Duty fuel systems. For the six months ended September 30, 2008 and 2007 respectively, consolidated revenue was \$64.5 million and \$36.9 million, respectively, an increase of 75%. CWI accounted for \$24.8 million of the \$27.6 million increase with unit shipments of 2,468 fiscal year to date, up from 1,367 fiscal year to date September 30, 2007. Non-CWI revenues accounted for \$2.8 million of the increase with 70 LNG systems shipped year to date compared to 33 LNG systems shipped same period last year.

Westport reported a net income of \$0.7 million for the three months ended September 30, 2008 (\$0.02 earnings per share), compared to a net loss of \$4.9 million (\$0.19 loss per share) in the same period in fiscal 2008. The improvement from net loss to net income is primarily due to the sale of short term investments in Clean Energy shares. During the quarter, Westport recognized \$9.8 million in investment gains, net of taxes, on the sale of 790,800 shares for net proceeds of \$14.2 million. Net loss without the benefit of the sale of Clean Energy shares is approximately \$9.1 million.

For the six months ended September 30, 2008 and 2007, net loss was \$2.8 million, or \$0.10 per share, and \$9.6 million, or \$0.41 per

share, respectively, with Westport's 50% share of CWI income after taxes for those periods \$3.0 million and \$1.8 million, respectively. Year to date, Westport has recognized \$12.7 million in gains, net of tax, primarily from the sale of Clean Energy shares compared to \$0.7 million in the prior year.

Westport's 50% share of CWI, on an after tax basis, was \$1.4 million in Q209, up from \$1.2 million in Q208. CWI gross margin percentages decreased from 31% to 25% primarily because of additional warranty reserves taken against the L Gas and C Gas plus and higher warranty accruals associated with the ISL G. Having recognized the future benefit of its remaining tax losses, CWI is also now recognizing tax expense. Non-CWI operating expenses (research and development, general and administrative and sales and marketing) were up \$3.8 million Q209 versus Q208. The increase relates primarily to higher expenses associated with launching Westport's LNG systems for the heavy duty market such as Kenworth integration costs, assembly centre related operating costs, and sales and marketing expenses. In addition, during the quarter, Westport listed on Nasdaq, incurring additional listing fees, board expenses, insurance, legal, accounting and other costs. The Company's 49% share of the loss from Juniper Engines Inc. ("Juniper") was \$0.5 million and \$0.6 million for the three and six months ended September 30, 2008.

Westport's cash and cash equivalents balance as at September 30, 2008 was \$96.8 million compared to \$22.8 million as at March 31, 2008. In the six months ended September 30, 2008, Westport raised approximately \$52.4 million in net proceeds from its Nasdaq initial public offering, \$14.0 million in net proceeds from the issuance of debenture units, and \$19.4 million from the sale of shares in Clean Energy. Cash from operations for the three months ended September 30, 2008 was \$6.1 million compared to cash used of \$1.5 million in the comparable period of the prior year. Westport spent \$1.7 million on capital expenditures associated primarily with the establishment of the Westport Assembly Centre and expansion of office facilities during the quarter, and approximately \$4.0 million on a year to date basis.

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 and subsequent financing transaction in concert with the listing on Nasdaq, Westport had 32,024,930 Common Shares issued and outstanding as at September 30, 2008.

Cummins Westport Inc. (CWI) Business Unit Highlights

CWI revenue increased by \$14.3 million to \$33.3 million on 1,391 units shipped in Q209 from \$19.0 million on 845 units shipped in Q208. CWI's gross margins increased to \$8.4 million from \$5.8 million on higher revenues.

In September, CWI received an order for over 200 CWI natural gas engines to equip new buses for transit providers in the capital city of Lima, Peru, a new market opportunity for CWI, with a growing market for natural gas vehicles and substantial indigenous supply of natural gas.

After the close of the quarter, CWI and Cummins India Limited announced an order for 3,125 natural gas engines, the largest order in CWI history, for Delhi Transport Corporation. The order is expected to be filled over the next 18 months.

Westport Global Heavy Duty Business Unit Highlights

Revenue for the heavy duty business has increased significantly to \$5.4 million on 69 LNG systems shipped, which compares to \$1.9 million in the prior year with 22 LNG systems shipped. Kenworth factory production for LNG trucks is on schedule for early 2009 along with the recent announcement of Peterbilt trucks launching 3 new LNG heavy duty truck models in mid-2009.

The San Pedro Bay Ports, including Los Angeles and Long Beach, initiated their clean trucks program on October 1st by banning pre-1989 trucks from port entry. With the concession program in place and financial incentives in place, Westport expects to see an increase in demand from port drayage fleets. Southern Counties Express, one of Westport's early adopters of LNG trucks and port customer, has now received all fifty trucks ordered earlier this year. In August, Westport received an order from Clean Air Logix for deployment at the Port of Oakland.

Results Conference Call

To coincide with the disclosure, Westport has scheduled a conference call for Thursday, November 6, 2008 at 1:30 pm Pacific Time (4:30 pm 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: 866-507-1212 (North America Toll-Free) or 416-695-9712. To access the replay after the call, please dial 800-408-3053 or 416-695-5800 using the passcode #3273670. The replay will be available until November 13, 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 Second 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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