



PRESS RELEASE

PACCAR Australia and Westport to Produce Natural Gas Trucks

December 10, 2008

Vancouver, BC - Westport Innovations Inc. (TSX:WPT/Nasdaq:WPRT) and PACCAR Australia Pty Ltd. ("PACCAR"), announced today that the companies will develop and commercialise liquefied natural gas (LNG) Kenworth trucks for the Australian market. Australia's Kenworth Trucks, a division of PACCAR, plan to begin factory-installed production in mid-2009 beginning with the T908, K108 and T408SAR truck chassis and roll out across additional models into the future. The LNG trucks, featuring the Westport high pressure direct injection (HPDI) LNG engine and fuel system, will be produced at the Kenworth Bayswater plant outside Melbourne, Australia.

"Australia's unique operating conditions and need for high-power outputs are a good fit for Westport's HPDI technology and Kenworth's leading truck models," said Joe Rizzo, Managing Director of PACCAR Australia. "Our customers have been seeking economic greenhouse gas reductions that work in their operations, and Kenworth is proud to be able to offer that combination in a factory-built product in Australia."

"With an abundant, low-cost, domestic natural gas supply, Australia makes an excellent market for Westport's high-performance heavy-duty LNG engine and fuel system," added Michael Gallagher, President and Chief Operating Officer of Westport. "Our demonstrated greenhouse gas reductions of 20-25% relative to diesel engines, 95% diesel substitution levels, and power output up to 580 horsepower are clear advantages of Westport technology. PACCAR's leadership in providing factory-built LNG Kenworth trucks on two continents shows their commitment to the environment and the economic concerns of their customers."

About Westport's ISX G and LNG System for Heavy Duty Trucks in Australia

Westport's engine and liquefied natural gas (LNG) fuel system for heavy-duty trucks allows trucking fleets to move to lower-cost, domestically available natural gas and/or biogas while offering significant greenhouse gas reductions compared with similar diesel engines. Based on the industry-leading Cummins ISX diesel engine with cooled EGR, Westport's direct-injection LNG version of the engine offers the same horsepower, torque, and efficiency as the base diesel engine it is replacing, with ratings in the Australian market of up to 1850 lb-ft torque and 580 peak horsepower. The Westport LNG fuel system comprises LNG fuel tanks, proprietary Westport fuel injectors, cryogenic fuel pumps and associated electronic components to facilitate robust performance and reliable operation. The Westport engine is fuelled with vaporized LNG—a safe, cost effective, low carbon, and low emissions fuel. LNG fuel tanks can be configured to suit customer range requirements. The Westport LNG system for the Cummins ISX is certified to 2008 Australian Design Rules (ADR 80/02 and ADR 30/01).

The Australian Government has been supportive of the introduction of Westport's LNG fuel system into the Australian market with demonstration funding. As early adopters of Westport's technology under the demonstration program, transport organizations including Mitchell Corp., Sands Fridge Lines and Murray Goulburn Cooperative have established their commitment and leadership in the reduction of greenhouse gases in Australia.

About Cummins Westport Inc.

Cummins Westport Inc. designs, engineers and markets 5.9 to 12 liter spark-ignited natural gas engines for North American commercial transportation applications such as trucks and buses. Cummins Westport is a joint venture of Cummins Inc. (NYSE:CMI), a corporation of complementary business units that design, manufacture, distribute and service engines and related technologies, including fuel systems, controls, air handling, filtration, emission solutions and electrical power generation systems, and Westport Fuel Systems Inc. (NASDAQ: WPRT / TSX: WPRT), a global leader in alternative fuel, low-emissions technologies that allow engines to operate on clean-burning fuels such as compressed natural gas (CNG), liquefied natural gas (LNG), Propane (LPG), hydrogen, and biofuels such as landfill gas.

About Kenworth Truck Company

Kenworth Truck Company is the manufacturer of The World's Best® heavy and medium duty trucks. Kenworth is an industry leader in providing fuel-saving technology solutions that help increase fuel efficiency and reduce emissions. The company's dedication to the green fleet includes aerodynamic trucks, liquefied and compressed natural gas trucks, and medium duty diesel-electric hybrids. Kenworth is the recipient of the 2009 J.D. Power and Associates awards for Highest in Customer Satisfaction for both Over the Road Segment and Pickup and Delivery Segment Class 8 Trucks, and for Heavy Duty Dealer Service. Kenworth's Internet home page is at www.kenworth.com. Kenworth. A PACCAR Company.

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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