



PRESS RELEASE

Westport Reports Fourth Quarter & Year End Financial Results

June 8, 2009

Annual Revenues Up 70% Year Over Year on Over 4,000 Units Shipped

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 fourth quarter and fiscal year ended March 31, 2009 (FY2009), and provided an update on operations.

"Fiscal 2009 was a remarkable year in Westport's development," said David Demers, Westport's Chief Executive Officer. "Our record revenue growth is due to the successful introduction of major new products in both truck and bus engines from Cummins Westport (CWI) and heavy-duty LNG systems in Westport HD. We saw growth and growth opportunities in all of our core markets and all over the world, including India, where CWI, with local partners, Cummins India Ltd, won its single largest order in history for 3,125 natural gas buses equipped with CWI's B Gas Plus engine. As well, several new projects emerged to produce bio-methane of sufficient purity to be used in our vehicles, suggesting that natural gas is not only clean but could become completely sustainable."

"That said, the economic collapse in the second half of the year has generated market confusion. With the publicity around major new government initiatives such as the NATGAS Act, the various global stimulus packages, and the uncertainty around carbon policy, customers are choosing to wait and see how the economics of alternative fuel vehicles develop this year. Our largest near-term opportunity, the Ports of Los Angeles (POLA) and Long Beach, have faced complex opposition to their Clean Truck Program. Although this issue appears to be resolved and the 2009 POLA program, committing up to \$44 million of new incentives towards the purchase of 900 natural gas trucks is announced, there is still work to be done to find financing for prospective customers and deliver their new vehicles."

"We will be allocating resources to new opportunities, adjusting our investment priorities, and working hard to find operational efficiencies and synergy with our many partners around the world. We believe our long term vision of global transportation markets that have transitioned from oil to cleaner, sustainable, low-carbon fuels is approaching quickly. We are confident that Westport will play its part of the transition and in the process create a substantial global business."

Fourth Quarter Fiscal 2009 Financial and Business Highlights

- Reported consolidated quarterly revenues at \$26.3 million compared to \$15.3 million for the fourth quarter of fiscal 2008, a 72% increase.
- Reported a net loss of \$12.7 million (\$0.43 loss per share) for the fourth quarter ended March 31, 2009 compared to a net loss of \$8.1 million (\$0.30 loss per share) for fourth quarter ended March 31, 2008.
- Juniper Engines, Westport's joint venture with OMVL SpA of Italy, unveiled its product line of 2.0 litre and 2.4 litre engines for the forklift industrial market.
- Announced that Westport's Management System is certified to ISO 9001:2008; certification is vital for Westport as a supplier to truck OEMs.

Full Year Fiscal 2009 Financial and Business Highlights

- Delivered 4,038 units in fiscal 2009 as compared to 2,720 units in fiscal 2008.
- Reported consolidated annual revenues of \$121.8 million compared to \$71.5 million for fiscal 2008, an increase of 70%.
- Reported net loss of \$24.4 million (\$0.81 per share) in fiscal 2009 compared to \$10.3 million (\$0.41 per share) in fiscal 2008.
- Announced that San Diego Metropolitan Transit System ordered 250 Cummins Westport Inc. (CWI) ISL G engines.
- Announced a development agreement with a leading European engine manufacturer.
- Formed Weichai Westport Inc., a joint venture with Weichai Power Co. Ltd., China's largest heavy duty engine manufacturer and Hong Kong Petersen. The new entity will research, develop, design, manufacture, market, distribute and sell advanced, alternative fuel engines for various applications.
- Commenced trading on the NASDAQ stock market after filing a U.S. IPO Registration Statement with the SEC.
- Issued \$15 million in unsecured, subordinated debenture units.
- Announced CWI entered Perumarket with an order for over 200 engines.
- Partnered with Peterbilt to provide availability of Westport HD product in three Peterbilt factory-installed configurations.

- Announced order for 3,125 CWI engines for India.
- Partnered with PACCAR Australia to bring Westport heavy-duty systems to the Australian market under the Kenworth brand.
- CWI announced order for an additional 260 engines to LA Metro.

Fourth Quarter & Fiscal Year 2008 Financial Results in Detail

Consolidated revenues for the three months ended March 31, 2009 were \$26.3 million – an increase of \$11.0 million or 72% over the same period in fiscal 2008 (\$15.3 million.) On a U.S. dollar basis, consolidated revenues increased by 38%. CWI product revenues were up \$10.7 million primarily as the result of increased volume of ISL G sales and increased kit revenue of \$3.3 million associated with the DTC order.

For the year ended March 31, 2009, consolidated revenues increased to \$121.8 million from \$71.5 million in fiscal 2008, a year over year increase of 70% on 4,038 units shipped compared with 2,720 units shipped in the prior fiscal year. The increase in revenue is primarily as the result of increased sales of CWI's ISL G in North America with demand from the transit and refuse markets and the increase in LNG systems shipped. Our products and parts are priced in US dollars and are accordingly affected by fluctuations in the US to Canadian dollar exchange rate. In US dollar terms, consolidated revenues increased by approximately 57%.

During the fiscal year, CWI revenues increased by 63% to \$109.9 million from \$67.3 million in the prior year. In US dollar terms, CWI's increase was approximately 50%. Product revenue was \$90.9 million on 3,907 units shipped in fiscal 2009 compared with \$51.0 million on 2,684 units shipped in fiscal 2008. Non-CWI revenues were \$11.9 million from the sale of 131 LNG systems for heavy duty trucks compared to \$4.2 million from 36 LNG units in 2008. Sales included 122 units in North America compared with 36 in the prior year and 9 units in Australia compared with none in the previous year.

Net loss for the three months ended March 31, 2009 was \$12.7 million compared to net loss of \$8.1 million in the three months ended March 31, 2008. Gross margin increased by \$2.4 million on higher revenues, however, gross margin percentages decreased from 30% in the fourth quarter of fiscal 2008 to 26% in fiscal 2009 as the result of higher warranty accruals on the ISL G units as well as from changes in product mix. Our share of CWI's net income increased by \$1.2 million from a loss of \$0.4 million to a contribution of \$0.8 million, primarily because of increased revenues and lower sales and marketing expenses in the period offset by increased taxes. Non-CWI net loss in the three months ended March 31, 2009 was \$13.5 million compared to a net loss of \$7.7 million in fiscal 2008. The \$5.8 million increase was the result of increased research and development expenses of \$1.8 million and sales and marketing expense of \$1.5 million with increased costs primarily associated with our OEM integration work, new production facilities and reduced government funding as well as increased bonus and restructuring costs taken in the period. Non-operating expenses such as foreign exchange and long-term interest and amortization also increased by \$1.3 million and gains from sale of investments decreased by \$0.5 million.

Our net consolidated loss for the year ended March 31, 2009 was \$24.4 million, or \$0.81 per share, compared to \$10.3 million, or \$0.41 per share for the year ended March 31, 2008. Our non-CWI loss increased by \$12.2 million, while our share of CWI net income decreased by \$1.9 million. Non-CWI net loss increased from \$16.1 million to \$28.3 million with non-CWI operating expenses (research and development, general and administrative, and sales and marketing) up \$12.6 million compared with fiscal 2008. The increase relates primarily to higher expenses associated with launching our LNG systems for the heavy duty market such as Kenworth integration costs, production related operating costs, current product support, sales and marketing expenses. Our share of CWI's income decreased from \$5.8 million in fiscal 2008 to \$3.9 million in fiscal 2009 despite the increase in revenues, primarily as the result of higher warranty accruals made in the year and income taxes. The increase in warranty accruals reduced CWI gross margins from 32% to fiscal 2008 to 26% in fiscal 2009. In addition, in fiscal 2009, CWI utilized its remaining loss carry forwards and recognized income tax expense of \$4.2 million compared to tax recovery of \$5.6 million in the prior year. On a pre-tax basis, CWI recognized income of \$12.0 million compared to \$6.0 million in fiscal 2008.

Cummins Westport Inc. (CWI) Business Unit Highlights

CWI, a 50:50 global joint venture between Westport and Cummins Inc., is focused on the development, marketing and sale of mid-range, spark-ignited (SI) natural gas or liquefied petroleum gas (LPG) engines for transit bus, shuttle and urban specialty vehicles such as refuse trucks. CWI revenues increased by 63% to \$109.9 million from \$67.3 million in the prior year. Product revenue growth in fiscal 2009 was 135% in North America, 31% in the rest of the world, offset by a decrease of 60% in Asia. In US dollar terms, the increase was approximately 65%.

CWI contributed \$3.9 million after taxes and after taking into account Cummins' 50% share of net income compared to \$5.8 million in the prior year.

During the year, CWI saw strong growth in North America, with large orders of 250 and 260 from San Diego and Los Angeles transit properties and growing demand in the refuse market. Entering a new market of Peru, the city of Lima ordered over 200 units in September. In India, the Delhi Transport Corporation, a repeat customer, has ordered over 3,000 units for its fleet, which will be delivered in cooperation with Cummins India Ltd. The year also brought a change in CWI's engine availability in the Sterling brand, which will be retired by Daimler Trucks North America, to be available in another Daimler brand: Freightliner.

Westport Global Heavy Duty (Westport HD) Business Unit Highlights

Fiscal 2009 brought growth to the heavy duty business unit in the form of OEM development agreements and sales of heavy-duty engines and fuel systems. In the summer, Westport signed an agreement with a leading European engine manufacturer to develop a product for their vertically integrated market. In Asia, Westport signed a joint venture agreement to form a new joint venture to be

called Weichai Westport Inc., with Weichai Power Co. Ltd. and Hong Kong Petersen (CNG) Equipment Ltd. The new company will engage in development and commercialization of Westport technology for use in automobiles, heavy duty trucks, power generation and shipping applications.

During the year, several California fleets ordered Westport HD-equipped trucks, including the larger orders from HayDay Farms. Factory OEM availability of Westport HD GX engine and LNG system, a key factor to growth of the business, has increased from Kenworth in North America to also include 3 Peterbilt truck configurations in North America, both PACCAR brands, and 3 Kenworth truck chassis in Australia.

Juniper Engines

In January 2009, Westport unveiled Juniper Engines at the ProMAT Exposition in Chicago, Illinois. The joint venture with OMVL SpA, of Italy, is initially targeting the OEM liquefied petroleum gas (LPG) forklift market, with fully integrated, high performance, low-emission solutions. The Juniper products are based on the Hyundai Motor Company's 2.0 litre and 2.4 litre industrial engine platforms, and OMVL's LPG multipoint injection technology. Juniper will be the manufacturer of record and the products are designed to meet EPA and CARB standards for 2010. The products are expected to be available in the second half of 2009.

Results Conference Call

Westport has scheduled a conference call for today, Monday June 8, 2009 at 2:00 pm Pacific Time (5:00 pm Eastern Time) to discuss these results. 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: 866-226-1793 (North America Toll-Free) or 416-340-2218. To access the conference call replay after the call, please dial 800-408-3053 or 416-695-5800 using the passcode #6673030. The replay will be available until June 15, 2009; however, the webcast will be archived on the Company's website.

The live webcast of the conference call can be accessed through 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 shortly after the conclusion of the conference call.

To view Westport's full FY2009 financials, please point your browser to the following link:

<http://www.westport.com/investor/financial.php>.

2009 Annual Meeting of Shareholders

The Westport 2009 Annual Meeting of Shareholders will be held on Thursday, July 16, 2009 at 2:00 PM (Pacific Time) at the Pan Pacific Hotel, 999 Canada Place, Vancouver, British Columbia.

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

Westport Fuel Systems (Investor Inquiries)

Christine Marks

Investor Relations

T 604-718-2046

invest@wfsinc.com

<https://www.wfsinc.com>

Source: Westport Fuel Systems Inc.