



PRESS RELEASE

Westport Signs New Development and Commercialization Agreement

July 13, 2010

New Agreement Further Demonstrates Westport's Commitment and Ability to Develop Competitive Biogas and Natural Gas Engines and Outlines R&D Expenses and Revenue Stream

VANCOUVER, BC – Westport Innovations Inc. (TSX:WPT / NASDAQ:WPRT), a global leader in alternative fuel, low-emissions transportation technologies, today announced that Volvo Powertrain, a subsidiary of Volvo AB, and Westport have signed an agreement defining Westport's responsibility to develop biogas- and natural gas-fuelled engine products for Volvo. For competitive reasons details of the products or markets will not be disclosed until an appropriate time. The main features of the long term relationship are as follows:

1. Westport and Volvo will mutually agree on the priority for commercial launch of gaseous fuel engines and will share the risks of development.
2. For products requested by Volvo, Westport will be reimbursed for engineering and related development costs at passage through each successful major development gate.
3. Westport will arrange for or supply gas-related components.
4. Westport expects to generate revenue on each new natural gas / biogas engine sold.

"Our development and commercialization program with Volvo continues to develop, both in scale and scope" said David Demers, CEO of Westport Innovations. "Natural gas and biogas are quickly becoming the alternative fuel of choice for commercial vehicles and we expect this will lead to a new generation of clean, low-emission engines from Volvo. As a world leader in innovation and quality, Volvo is a great partner to work with to capture such a burgeoning market opportunity."

The current natural gas engine development program will result in an engine that will meet future emission requirements and be commercialized according to a mutually agreed timeline. Westport will also be working directly with the Volvo AB brands to help identify market development opportunities and assist in the infrastructure build-out of biogas and natural gas where needed.

Westport originally entered into an agreement with Volvo in November, 2009, describing Westport as a Tier 1 Development Supplier for its heavy-duty natural gas engines and associated supply chain. This new agreement has evolved from the previous agreement noted.

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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