



PRESS RELEASE

Westport Fuel Systems to Sell Portion of Joint Venture Interest for Approximately \$11 Million

August 22, 2016

Company remains committed to Chinese market & continues to advance Westport™ HPDI 2.0 program
VANCOUVER, BC – Westport Fuel Systems Inc. ("**Westport Fuel Systems**") (TSX:WPT / Nasdaq:WPRT) announced that it has entered into agreements to sell an 11.7% interest in the Weichai Westport Inc. ("**WWI**") joint venture for gross proceeds of 48.2 million RMB (approximately US\$7.2 million) to Weichai Holding Group Co., Ltd. ("**Weichai**") and an additional undisclosed purchaser. Associated with the sale, Westport Fuel Systems will also receive a dividend payment of 23.8 million RMB (approximately US\$3.5 million) from the joint venture, generating total gross proceeds of 72.0 million RMB (approximately US\$10.7 million). This transaction is consistent with the company's focus on strengthening its liquidity position.

Westport Fuel Systems is pleased to support the goal of Weichai to increase its majority ownership position in WWI. Westport Fuel Systems will still hold a minority interest in WWI and remains a committed partner in the joint venture. The company continues to advance development of its High Pressure Direct Injection 2.0 ("**Westport™ HPDI 2.0**") products with WWI, with commercial launch in China planned for 2017. In addition, Westport Fuel Systems has signed a framework agreement with WWI for the supply of alternative fuel system components.

"China remains an important market for us and we are dedicated to supporting our OEM customers," said Nancy Gougarty, CEO of Westport Fuel Systems. "There is increasing urgency around the globe to address urban air quality issues and natural gas fueled vehicles can play an integral role in reducing emissions. The WWI joint venture remains well positioned to support China's transportation market and we continue to advance the commercialization of our HPDI technology in support of the heavy-duty sector. Our ongoing relationship with the joint venture will provide a strong foundation in support of our efforts to grow Westport's presence in both these market segments. Further, this sale helps address our corporate goal of strengthening our balance sheet."

The company will account for its minority interest in WWI through the cost accounting method as previously disclosed in its Q2 2016 financial results. Final release of all funds to Westport Fuel Systems remains subject to customary Chinese approval processes and foreign exchange.

About Westport™ HPDI 2.0

Westport™ HPDI 2.0 is the only natural gas technology capable of delivering performance and fuel economy equivalent to that of current high performance diesel-fueled engines, while reducing greenhouse gas ("**GHG**") emissions by 18% to 20%. This combination of high performance, high efficiency and low GHG emissions is increasingly critical for heavy-duty engines in demanding commercial applications.

About Westport Fuel Systems

At Westport Fuel Systems, we are driving innovation to power a cleaner tomorrow. We are a leading supplier of advanced fuel delivery components and systems for clean, low-carbon fuels such as natural gas, renewable natural gas, propane, and hydrogen to the global automotive industry. Our technology delivers the performance and fuel efficiency required by transportation applications and the environmental benefits that address climate change and urban air quality challenges. Headquartered in Vancouver, Canada, with operations in Europe, Asia, North America and South America, we serve our customers in more than 70 countries with leading global transportation brands. At Westport Fuel Systems, we think ahead. For more information, visit www.wfsinc.com.

Cautionary Note Regarding Forward Looking Statements

This press release contains forward-looking statements, including statements regarding revenue and cash usage expectations, the effect of and timing of reorganization and restructuring of our business, the anticipated benefits of the merger with Fuel Systems, the timing and ability to recognize synergies as a result of the merger with Fuel Systems, future rationalization of operations and reduction of overhead expenses, continued research and development investment, future of our development programs (including those relating to the referenced HPDI injector program), timing for launch, delivery and completion of milestones related to the products referenced herein, Westport Fuel Systems' expected actions, future sales of non-core assets and the benefits therefrom, the demand for our

products, the future success of our business and technology strategies, investment in new product and technology development and otherwise, cash and capital requirements, intentions of partners and potential customers, the performance and competitiveness of Westport Fuel Systems' products and expansion of product coverage, future market opportunities, speed of adoption of natural gas for transportation and terms and timing of future agreements as well as Westport Fuel Systems management's response to any of the aforementioned factors. These statements are neither promises nor guarantees, but involve known and unknown risks and uncertainties and are based on both the views of management and 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 uncertainties 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, solvency, governmental policies and regulation, technology innovations, fluctuations in foreign exchange rates, operating expenses, the availability and price of natural gas, global government stimulus packages, the acceptance of and shift to natural gas vehicles, the relaxation or waiver of fuel emission standards, the inability of fleets to access capital or government funding to purchase natural gas vehicles, the development of competing technologies, our ability to adequately develop and deploy our technology, the actions and determinations of our joint venture and development partners, 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 these forward looking statements except as required by National Instrument 51-102. The contents of any website, RSS feed or twitter account referenced in this press release are not incorporated by reference herein.

More Information

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