



Westport Innovations Inc.

Faster Freight – Cleaner Air (FFCA): A Summit on North American Goods Movement & Air Quality

February 27, 2007 – On-Road/Trucking Track

Dr. Michael Gallagher, President & Chief Operating Officer

New Strides in Natural Gas Engines for Goods Movement Applications



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Forward Looking Statements

This presentation contains forward-looking statements that are based on the beliefs of Westport's management and reflect Westport's current expectations.

Investors are cautioned that all forward-looking statements involve risks and uncertainties, including, without limitation, Westport's ability to develop viable fuel systems; Westport's ability to provide the capital required for research, product development, operations, and marketing; product development and commercial launch delays; changing environmental regulations; Westport's ability to attract and retain business partners; competition from conventional diesel fuelled engines; and Westport's ability to protect its intellectual property. These factors should be considered carefully and investors should not place undue reliance on Westport's forward looking statements.

Investors are encouraged to review Management's Discussion and Analysis in Westport's most recent Annual Report, and the Risk Factors section in Westport's most recent Annual Information Form for a more complete discussion of factors that could affect Westport's future performance.



Westport Innovations Inc.

- Recognized as a world leader in gaseous-fueled engine technology (CNG, LNG, LPG & H2)
- FY2006 Revenues: C\$43.6 million (to March 31, 2006)



Deloitte 2006
Technology Fast 500
#2 Fastest Growing in North America

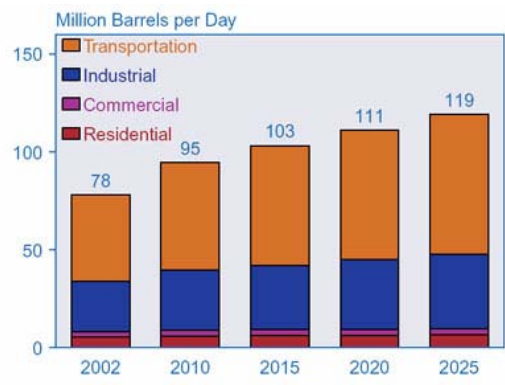
Deloitte
Technology Fast 50
#1 Fastest Growing in Canada



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Why Alternate Fuels? Economic

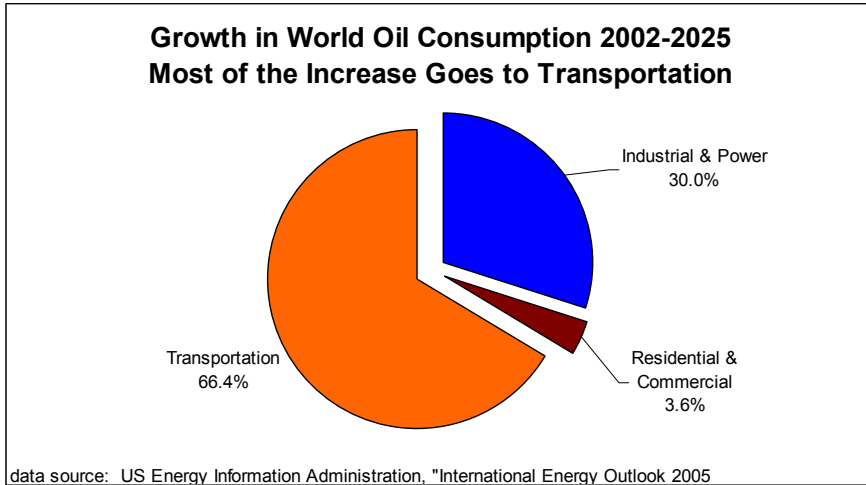


- OIL SUPPLY TODAY: 83M barrels per day consumed
- 2025: 25-35M new barrels per day needed (projected demand)
- Demand growth is driven by transportation sector

- Is there adequate supply?
- At what price?

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Most of the Increase (2002-2025) in World Oil Consumption Is Driven By Transportation

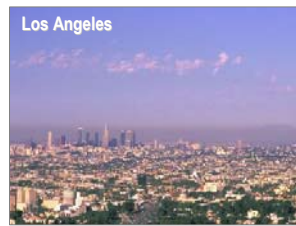


Why Alternate Fuels? Environmental Challenges



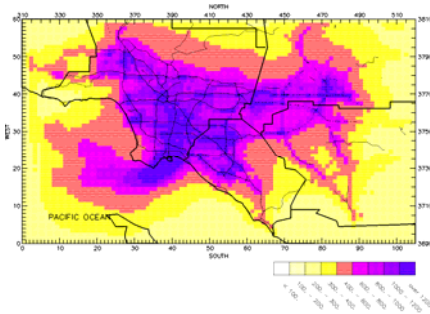
Vehicle Pollution Is a Major Urban Issue

- 40% of urban pollution comes from transportation; commercial vehicles are the biggest polluters
- 99.8% of these vehicles use conventional liquid fuels today
- Legislation and Clean Air Incentives (\$) in specific regions demanding urban clean air solutions

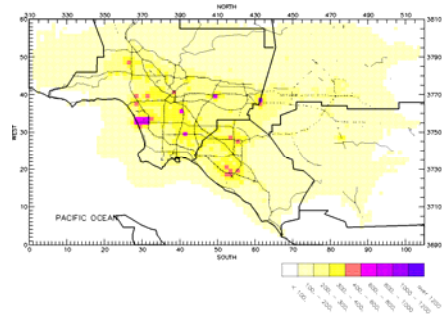


Diesel Heavy Duty Vehicles: Los Angeles Basin

Los Angeles Basin - Modelling of health risks from air toxins.



Current air toxin risk assessment



After elimination of diesel sources

Source: South Coast Air Quality Management District, Los Angeles

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Climate Change

- Earth is within $\sim 1^{\circ}\text{C}$ of the maximum temperature of the past 1 million years
- Absent action, the majority ($\sim 60\%$) of all species could be extinct within 100 years
- Stern report cited potential \$7 Trillion economic impact

Source : National Academy of Sciences of the United States of America, Proceedings, October 2006.



Stern Review on the Economics of Climate Change
October 30, 2006

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Greenhouse Gas Sources

- Trucks account for over half the oil used in road transport, and this share will only increase

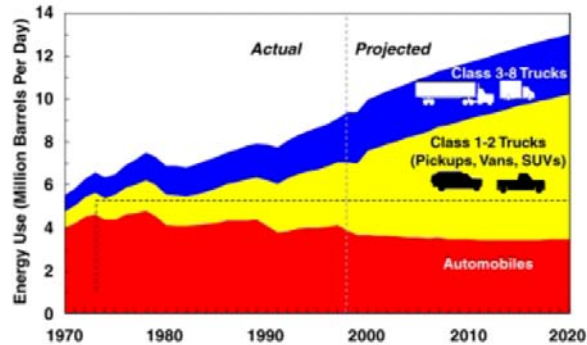


Fig. 2.2. Trucks account for increasing highway transportation energy use.

Source: "Technology Roadmap for the 21st Century Truck Program", US DOE, Dec. 2000.

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Conclusion: Natural Gas (CNG & LNG)

- Transportation needs a viable alternative to oil-based fuels
 - Global challenge... Everyone faces this issue but particularly urgent in emerging growth economies
 - Oil cost and availability introducing price uncertainty within fleet operations
 - Risk of supply disruption is also a concern
- Natural gas is available and economic
- Fortunately, it is also much cleaner
 - Lower NO_x, PM and GHG emissions

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Solution:

Focus on Large Fuel Use Fleets

- Westport is focusing on the **largest users of diesel fuel** first
 - largest economic benefits
 - Simplest infrastructure
 - Motivated customers with large scale purchasing power
- Urban Fleets such as **buses and work trucks** commercial now
 - 14,000 CWI engines shipped with 50 OEM vehicle partners
- Second business unit: **Highway trucks (Q1-2007)**
 - Kenworth, Volvo offered with Cummins ISX - LNG
- **Mine trucks** and other offroad applications
 - High demand where there is proximity to low cost LNG/CNG
 - New program under development
- Passenger car: longer term; hydrogen and other exotic fuels in research programs



27,000 litres/yr



43,000 litres/yr



80,000 litres/yr



1,500,000 litres/yr



2,500 litres/yr

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Cummins Westport:

15,000 worldwide and growing

Cummins Westport Inc.: 50:50 global JV with Cummins, Inc.

- More than 15,000 engines in service
- Consistent annual revenue growth: 33% CAGR last four years (US\$)
- Profitable since 2004; substantial profit growth 2005; Scalable business model
- New OEM markets opening up (over 50 now in 18 countries)
- Margins and product reliability steadily increasing
- Engine manufacturing established in India (2005) & China (2006)
- New ISL Gas engine ready in 2007



5.9 Litre
150-230 hp
375-500 lb-ft

B GAS
PLPG



8.3 Litre
250-280 hp
750 - 850 lb-ft

C GAS
PLUG



8.9 Litre
320 hp
1000 lb-ft

L GAS
PLUG

ISL G

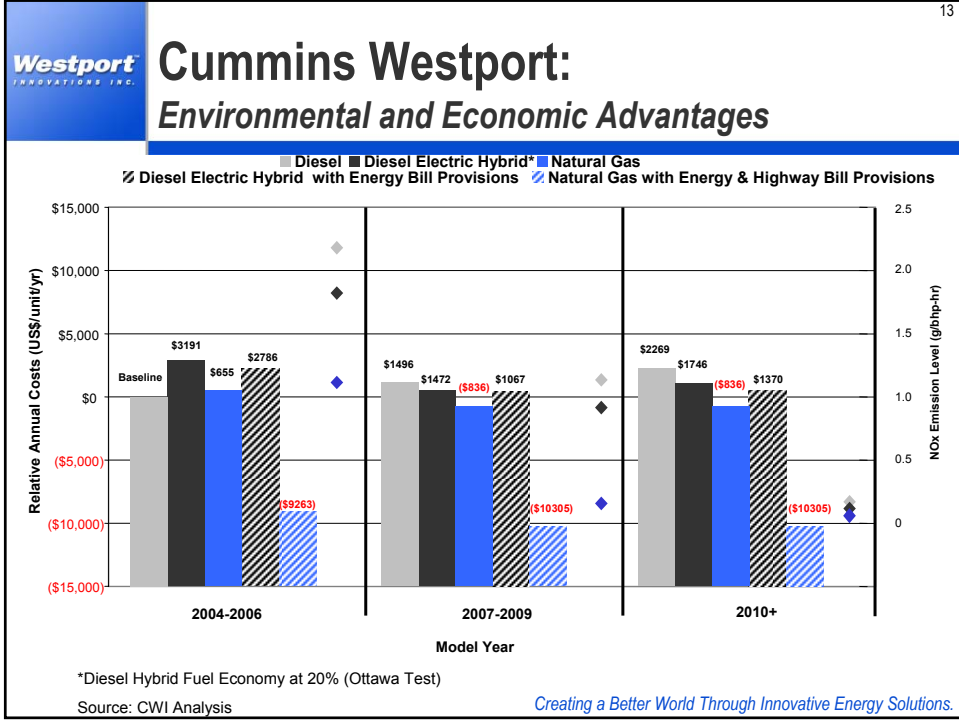
NEW IN 2007
8.9 litre

Stoichiometric EGR technology

Global emissions leader
Higher efficiency
250 to 320 hp
Diesel-like reliability & durability
2010 Emission met in 2007



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Westport LNG Heavy Duty Trucks: Diesel Performance on LNG

- Tight geographic market focus
 - California, Texas
 - Ports of Los Angeles & Long Beach
 - Strong potential in Australia
- Limited production F2007 (50 - 100 trucks = C\$5 - \$10 million)
- Prepare for larger scale deployment starting 2007 (fiscal 2008)
- First customers October 2006:

Westport News Release

Westport Innovations Receives California Air Resources Board (CARB) Certification of Heavy Duty LNG Truck Engine
Westport Heavy Duty HPDI Available for Commercial Deployment

FOR IMMEDIATE RELEASE - March 30, 2006

VANCOUVER, BC - Westport Innovations Inc. (TSX:WPT), a global leader in gaseous-fueled power technologies, has received California Air Resources Board (CARB) Certification for its High Pressure Direct Injection (HPDI) technology adapted to the Cummins ISX heavy-duty truck engine. The Executive Order from CARB certifies the HPDI system to 1.2g/bhp-hr (NOx + nrlHC) and 0.02g/bhp-hr Particulate Matter (PM).

click to visit:
<http://LNGtrucks.westport.com>

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Westport HD LNG Truck Benefits

- Westport HPDI engines with LNG - Comparison to diesel

	2006	2007
NOx reduction	50%	50% (tbc)
Particulate reduction	80%	0 to 50% (tbc)
Greenhouse Gas reduction	15 to 20%	15 to 20%
Diesel substitution (by energy)	~94%	~95%
Power	100%	100%
Torque	100%	100%
Fuel Efficiency (rel to diesel)	98%	100%

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Westport LNG Heavy Duty Trucks: San Pedro Bay Ports Clean Air Action Plan

Clean Air Action Plan (CAAP) approved Nov 20, 2006:

- Plan aimed at significantly reducing the health risks posed by air pollution from port-related ships, trains, trucks, terminal equipment and harbour craft
- Heavy Duty Truck component:
 - ~5300 HD trucks to be replaced with alternative fuels by 2011
 - US\$1 billion for "alternative fuel" heavy duty trucks through 2011
- Initial LNG Truck RFP Feb 2007:
 - US\$22 million: US\$144,000 per truck
 - Announce awards April 2, 2007
 - Deployment Spring 2007

Port Seeks Proposals for LNG Truck Program

The Port of Los Angeles is seeking proposals to purchase and integrate LNG-powered trucks into fleets involved in Port drayage. The Port of Long Beach is releasing a parallel RFP seeking proposals to design, construct and operate a public LNG fueling and maintenance facility on Port of Los Angeles property. [Learn More](#)



BEACH, Calif. - June 28, 2006 - Taking an unprecedented

step in the South Coast Air Basin, the ports of Los Angeles and Long Beach announced the San Pedro Bay Ports Clean Air Action Plan, a significant initiative to reduce the health risks posed by air pollution from ships, trains, trucks, terminal equipment and harbor craft.

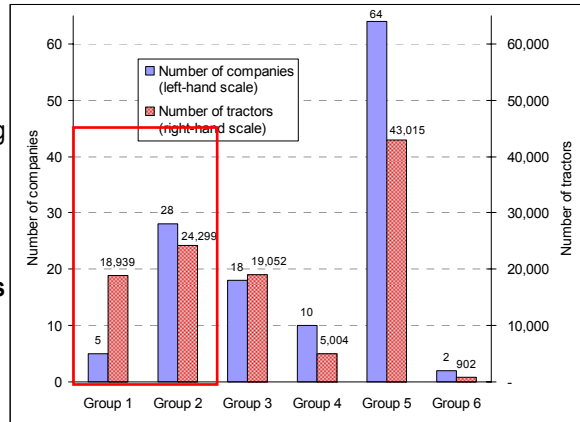


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Westport LNG Heavy Duty Trucks: Other Private Truck Fleets

Climate Change Initiatives

- Analysed top 127 private truck fleets for Greenhouse Gas (Climate Change) corporate policy representing 111,000 trucks
- Group 1 and 2 have made public commitments to reduce GHG's
- **33 fleets with 43,238 trucks are in Group 1 or Group 2**
- **New GHG/Climate change active corporations appearing every day**



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Summary

- Westport is a technology leader in gaseous fuelled engines for commercial transportation
- Economic advantages of LNG/CNG fueling for heavy-duty fleets emerging as primary market driver
- Renewed commitment from public, corporate & political leaders worldwide to reduce pollutants and greenhouse gases is also a powerful driver
- Well established with first business unit Cummins Westport in bus and urban truck engines worldwide
- Momentum building for LNG Class 8 heavy-duty trucks:
 - San Pedro Ports 5 year US\$2.1B Clean Air Action Plan (5000+ LNG trucks) – Board approval Nov 20/06
 - LA Port RFP – US\$22 million for initial LNG truck deployment beginning Spring 2007
 - Private fleets – interest growing for LNG truck GHG reduction solution
- Global customer base: China, Australia, Europe, North America

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Advancing the shift of global commercial transportation to natural gas and hydrogen.

Thank you

www.westport.com