

<DARREN SEED speaking>
<Westport's Director, Investor Relations>

Thank you and good morning. Welcome to our first quarter conference call for fiscal 2009. It is being held to coincide with the disclosure of our financial results earlier this morning.

For those who haven't seen the release and financial statements yet, they can be found on Westport's website at www.westport.com.

Speaking on behalf of the Company will be Westport's Chief Executive Officer, David Demers; the Chief Financial Officer, Elaine Wong; and the President and Chief Operating Officer, Mike Gallagher.

Attendance at this call is open to the public and to the media but for the sake of brevity we're restricting questions to analysts and institutional investors.

This conference call may include forward-looking statements including, but not limited to, Westport's future performance. It is important to note that Westport's actual future results could differ materially from those projected in such forward-looking statements because of a number of factors detailed in the Company's filings with regulatory authorities.

Now I will turn the call over to David Demers.

<DAVID DEMERS speaking>
<Westport's Chief Executive Officer>

Thanks, Darren, and good morning everyone.

As usual, I will make a few introductory comments and then turn the call over to Elaine for her review of the financial statements. Mike will give you an update on the heavy-duty truck business unit.

Q1 was a return to strong profitability for CWI and in our heavy-duty business we saw good progress at both our beachhead market opportunity at the Los Angeles Ports and our program with Kenworth to launch factory production of trucks incorporating our LNG engines and fuel systems in early calendar year 2009.

The revenue numbers were very strong this quarter. Because the port program is still in its pre-purchasing phase, virtually all of this revenue came from the CWI mid-range business. Of course, as we told you on our

last call, a few large orders slipped from Q4 last year into Q1; nevertheless, the quarter was another revenue record with almost 75 percent growth over Q1 last year, excluding foreign exchange movements, and our two-year revenue growth is 164 percent over Q1 2007.

We're seeing strong interest emerging from the trucking industry, for both trucks incorporating the ISL G engine platform and larger class 8 trucks incorporating our ISX LNG platform. For the first time we may this year see trucking applications emerge as our largest market, even for CWI engines.

Refuse truck demand is very strong and the new Sterling setback truck appears to be generating a lot of interest. At the same time, our core city bus business is also showing strength in all markets. Significant new bus projects in India, Asia, and South America are developing well and our core business in North America is also showing strength with major orders from several of our existing customers, such as the San Diego order we disclosed in the quarter.

Elaine and Mike will go through some of the operational details; I'll just remind you that we've established strategic goals for both the CWI and heavy-duty business units and although we can't expect strictly linear progress every quarter, we feel our strategy is working well and both business units are performing well ahead of our business expectations.

CWI's goal has been to identify and enter new markets for alternative fuel engines based on the Cummins mid-range diesel engine platforms and then of course to grow those new markets while leveraging the production and distribution assets of its parents. This is working very well and, as you can see, CWI is well positioned for continued growth.

Heavy duty's medium-term goal is to reach a sustainable breakeven point, much as we did with CWI in 2004, while maintaining a rapid product development investment program. We're currently investing \$15 to \$20 million per year in this business so we expect that this breakeven point will come as we reach production of 1,000 to 2,000 trucks per year. We also expect that the initial ports program will substantially satisfy this breakeven volume requirement. It's very important for our team to remain focused and disciplined as we work through this extremely complex and challenging project, which is intended to substantially reduce the

environmental footprint of port operations over the next four to five years.

The key short-term goal of course for the heavy-duty business unit is to achieve factory production by Kenworth in early 2009. This complex program requires us to be certified as a tier-one engine and systems supplier to one of the world's largest manufacturers. We're developing our Westport assembly centre in Vancouver to facilitate efficient delivery of all the components that Kenworth will need to build trucks on their assembly line in Renton, Washington. Westport assembly centre will be up and running next quarter and we expect this production readiness program to be complete on schedule in Q4 of this fiscal year. In the interim we will continue to build small numbers of Kenworth trucks at the Cummins and Kenworth distributors in southern California. Of course, now that OEM trucks are becoming available as a result of port demand, we can also sell those LNG trucks to anyone else.

High fuel prices have encouraged fleet customers to explore the idea of natural gas more seriously. We've seen a tremendous change in the market interest in our truck products over the past few months, as the price of oil has shown such surprising volatility. Although oil prices have moderated in the past few weeks, it's important to remember that it's still 50 percent more expensive than it was last fall and few of the fleets that we talked to are confident that prices won't be higher again six months from now. In the past few weeks natural gas has fallen even faster than oil, at least in North America, so the price gap between natural gas and diesel fuel is continuing to widen. So we need to move faster and find ways to encourage all of our partners and suppliers to plan for faster growth as we work to turn this initial interest into hard orders.

We disclosed two other major strategic initiatives recently. We formed a joint venture with Weichai Power and Peterson Holdings of China to form a company, much like CWI, which will design and produce alternative fuel engines based on Weichai's diesel engine platforms and to leverage Weichai's extensive production and distribution assets. We've licensed our HPDI technologies to this joint venture on an exclusive basis for China-based engine production to allow the JV to develop and launch its new engine successfully. We're honoured and excited by the opportunity to work with Weichai, who are one of the most successful and

ambitious companies in China and one of the top-five manufacturers of diesel engines in the world.

Just a few days earlier we announced that we'd reached agreement with one of the leading European heavy-duty engine manufacturers to collaborate on development of HPDI LNG engines using their diesel engine platforms as well. This agreement is still at an earlier stage. Although we've established ambitious timelines for developing demonstration engines and vehicles, we have not yet reached agreement on formal commercial terms for launch of any of those engines into the market. Nevertheless, we and our partner believe that the market opportunity is compelling and we are working hard in parallel with the engineering work to develop such an agreement.

These two new global engine OEM projects are of course among the most important things that Westport has achieved since the original formation of CWI in 2001, the renewal of that original agreement in 2003 that created the permanent joint venture focusing on mid-range engines, and our agreement in early 2008 to work with Kenworth to deliver heavy-duty LNG engines to the market in their trucks. These two new programs will focus on larger engines than CWI's product line and they will incorporate our HPDI LNG technologies. So CWI and our new OEM projects are not directly competitive.

Each of our partners is a market share leader in each of the major markets, North America, Europe and China respectively, and together they manufacture about 40 percent of the heavy duty diesel engines in the world. In fact, we expect considerable synergy between all of our programs as the increasingly visible global opportunity for natural gas heavy duty vehicles, the broadened OEM supply chains, and the increased customer awareness for these new products will encourage the development of fuel infrastructure, component supplier investments, new government energy policy and programs, and generally accelerate the development of the alternative fuel marketplace. The fact that Westport has established alliances with leaders in the North American, European, and high-growth Asian heavy duty markets will also encourage our suppliers and partners in each area as we work to become the leading technology provider and innovator in this market.

It's inevitable that to deliver these new products substantial R&D and product development resources need to be put to work. Again though we expect

substantial synergies between our programs and in fact the three engine platforms for HPDI will offer us an opportunity to develop a next generation fuel injection system with more flexibility and adaptability to support additional engine platforms. Much of the increased resource will come from our partners and we will be relying on their experience and talent in order to deliver great products. We'll also need to accelerate our R&D programs somewhat and at the same time we will need careful focus on expenses in order to ensure an optimum balance of investment and early profitability.

As I said in our last call, this year has seen dramatic shifts in all of our global markets, which we believe signals fundamental shifts in the transportation industry going forward. We're confident that natural gas will emerge as the leading alternative fuel over the next decade because it's cleaner, it's cheaper, and it's more widely available than oil, and we believe our strategy will allow us to participate in this growing market as one of the technology leaders.

I'd like to close by welcoming our three new directors to the board: Jill Bodkin, Dr. Sarah Liao, and Dr. Albert Maringer. All three people bring unique experience and perspectives and we look forward to working with them to further build our company. Thank you again for your patience and support. I'll turn the floor over to Elaine.

<ELAINE WONG speaking>
<Westport's Chief Financial Officer>

Thanks, David, and good morning everyone.

The press release, financial statements, and management's discussion and analysis provide a considerable amount of detail regarding our first quarter ended June 30, 2008 and are posted on our website.

For the first quarter ended June 30th, consolidated revenue was \$25.5 million compared to \$15.7 million of the previous fiscal year, an increase of 62 percent year over year and a new record quarter for Westport. The increase in revenue is primarily the result of a 72 percent increase in CWI revenues on 1,077 units shipped in the quarter with delivers of the ISL G and catch-up of orders which had slipped from the previous quarter. Since the launch of the ISL G in 2007, we have seen strong demand for the engine, not only in transit but also growing interest in refuse and other truck applications.

Foreign exchange had a negative impact on reported revenue of approximately 8 percent as the U.S. dollar declined by that amount on average over first quarter of last year.

Gross margin increased to \$8.3 million from \$5.3 million on higher revenues. Gross margin as a percentage was relatively unchanged at 33 percent compared to 34 percent in the same quarter in the prior year.

Non-CWI revenues decreased by about \$700,000 in the period with the process of the ports of Los Angeles and Long Beach continuing but proceeding more slowly than anticipated; however, as Mike will discuss, the Ports have recently announced a jump-start program and have approved funding for 100 Kenworth trucks with our LNG systems expected to be delivered this fiscal year.

Net loss for the three months ended June 30, 2008 was \$3.5 million or \$0.13 per share compared to a net loss of \$4.7 million or \$0.22 loss per share post consolidation for the first quarter ended June 30, 2007. The improvement of \$1.2 million was due primarily to a \$2.2 million increase in net gain after taxes on sale of investment and a \$1.1 million increase in the contribution from CWI after taxes and JV partner distribution. I should also note on a pre-tax, pre-JV basis, CWI's operating profit in the quarter was \$4.9 million compared to \$1.5 million this quarter last year. Non-CWI expenses increased by \$2.7 million, primarily related to the increase in product development activities.

As at June 30, 2008 our cash, cash equivalents, and short-term investments totalled \$18 million compared to \$22 million at March 31, 2008. During the three months ended June 30th we invested \$1.5 million in Juniper Engines Inc., acquiring a 49 percent equity interest in the joint venture with OMVL of Italy. The joint venture is focused on the development of sub five litre engines for global applications. Our share of Juniper's loss for the period was approximately \$80,000. While for competitive reasons we're not saying much publicly about the venture, I can say that we are pleased with the progress so far. Working prototypes are being tested and we expect to see commercial products in the next 12 to 24 months. We also used \$2.7 million to acquire inventory and \$2.3 million on purchases of equipment and lease-hold improvements primarily associated with the building of our assembly centre in Vancouver.

In July 2008 we issued 15,000 debenture units for total gross proceeds of \$15 million and net proceeds of \$14.1 million. Each debenture unit consists of unsecured subordinate debenture in the principal amounts of \$1,000 bearing interest at 9 percent per annum and 51 common share purchase warrants exercisable for common shares at any time for a period of two years from the date of issue at \$18.73 per share.

We are excited about the recent OEM developments in Europe and Asia. We'll make an approximate \$4.5 million investment in the Weichai JV once government approvals are in place, which will give us 35 percent of the JV. Final product plans and resource requirements have yet to be determined, but we expect only modest increases in the current year R&D expenses.

As I mentioned earlier, please see our MD&A and financial statements as filed and posted on the Company's website for more details. Now over to Mike for a discussion of our operating results and plans.

**<MIKE GALLAGHER speaking>
<Westport's President and
Chief Operating Officer>**

Thank you, Elaine, and good morning everyone.

It may have been only two months since our last call but we have accomplished a great deal in that time. We announced the order of 20 LNG trucks for HayDay Farms, our largest non-port order to date. Since the HayDay announcement we have been working with other port and non-port customers to meet their demands for LNG systems in light of the rising fuel costs for diesel-based trucks. I do expect that more order announcements will be made as the purchase orders are signed. We continue to target other ports and related fleets as the economic benefits of our natural gas engine solutions continued to improve over equivalent diesel vehicles.

The San Pedro Ports continue to progress as each new milestone is achieved, delivering solid evidence of their commitment to the Clean Trucks Program and the replacement of some 16,800 trucks, half of which are expected to use alternative fuel such as LNG. I am pleased to report that under this Clean Trucks Program our engine products have now been selected formally both for the Kenworth HPDI product and the Sterling CWI solutions. In fact, we are the only alternate fuel truck solution provider selected by the Ports.

Demonstrating their part in rolling out the Clean Trucks Program, the Port of Long Beach board has approved the first new Jumpstart pre-orders with \$16.1 million for 100 Sterling trucks and then recently another \$19.7 million authorization for 100 Kenworth HPDI trucks. We are now working with Kenworth and Sterling as necessary to complete the forms and related contract negotiations with the Ports. Including the Jumpstart Program as well as the Port of LA original funding approved last October, \$57 million has now been authorized specifically for LNG trucks using Westport and/or CWI systems. Helping to secure future customer alt fuel truck orders at the Ports, a team of Tetra Tech, TIEX, and Gladstein and Neandross have just been selected by the Ports as the program administrator for the Clean Trucks Program.

As some of you may have read last week, the long expected American Truckers Association lawsuits were filed against the Ports. They did focus on the concession agreement structure for the fleets and individual truck owner/operators, but notably the lawsuit did not take issue with the Clean Trucks Program itself or the alt fuel component. As a result, both ports have restated again just last week full speed ahead on this program. And illustrating this commitment to continue under the Clean Trucks Program, Southern Counties Express was notified just yesterday that a cheque in the amount of \$5.5 million is now ready for them to pick up at the Port of Los Angeles for delivery of the first 30 of Southern Counties previously ordered 50 Westport LNG trucks.

From a customer satisfaction standpoint I would also like to point out that the first eight trucks that had been delivered to TTSI are doing well and in fact TTSI has expressed interest in the purchase of more trucks.

The international interesting and presence of our innovative HPDI solutions for heavy duty trucks continues to build also, as Kenworth unveiled their innovation truck recently at the Melbourne Truck Show featuring our systems. Australia is a key market, as you know, for our HPDI systems due to its substantial natural gas infrastructure and significant fuel cost savings in comparison to diesel.

A consistent question seems to arise when we talk to the investment community around the production capacity for our heavy duty systems. On that note I am pleased to report that our Kenworth assembly line program is on

track. We have just in fact completed building the second prototype vehicle just two weeks ago and this program is expected to be ready for integrated LNG truck production in early 2009, as planned. And the increase in awareness for our HPDI systems in Australia has been instrumental in helping further or relationship with Kenworth Australia, who intend to offer a similar assembly program for production there.

We are also seeing heightened interest from other truck OEMs. We have initiated more detailed discussions with another member of the PACCAR family, Peterbilt, to follow up on their earlier announcement of a strategic partnership to incorporate our HPDI systems into their trucks and recently Freightliner has just announced their plans to introduce the Cummins ISX diesel engine platform into their new Cascadia truck in 2009.

The supply chain for the production of our HPDI fuel systems continues to gear up around the quickening demand from Ports, North American commercial fleets, and Australian opportunities. Our Westport assembly centre build out is on track and our new engine commissioning test cell there is expected to go live in approximately one month. As unit sales increase along with volume purchasing, we are also starting to see some improved supply pricing, which we had expected, and we would expect to broaden further over time.

In closing, we have seen a record quarter with our first \$25 million plus revenue quarter; furthermore, there are indications this revenue level may be sustainable and with the successful launch and growing commitment under the Clean Trucks Program may grow further beyond today's levels. We are all very energized and enthused by the growing top-line momentum being driven both by expanding CWI's successes and the growing opportunities for our new heavy duty truck business.

I will now pass the call over to the operator who will open the call to your questions.

<Q&A SESSION>

Operator

Thank you. We will take questions at this time from telephone participants. If you are on a speakerphone today, please lift your handset before making a selection. You may press star one on your telephone keypad to ask a question and if at any time you wish to cancel your question you may press the pound key. Please press star one at this time if you have a question. There will be a brief pause while participants register and we thank you for your patience.

Thank you. The first question will be from Rupert Merer from National Bank. Please go ahead; your line is now open.

Rupert Merer, National Bank Financial

Good morning. Great results today. Looking at your outlook for China, how long do you think it'll take before you have a commercial product ready for the Chinese market? And do you have any thoughts on what the pricing of HPDI would have to look like to be successful in that market?

David Demers, Chief Executive Officer

Hi, Rupert; it's David. I'll give you a little bit. Obviously there's a whole bunch of commercial confidential on this, but you're absolutely right, a big part of this program is to come up with a much lower cost product and we're very hopeful that with Weichai's extensive supply chain relationships in China we can develop a much lower price point for at least some of the critical components. You know, there's no magic here; an LNG tank is an LNG tank. We're already making them in China so we're not going to see a 90 percent reduction in that cost, but there's a lot of other elements going into overall LNG truck costs. Weichai, you know, part of the network is one of the top-five truck builders, is part of their overall conglomerate, so we're very hopeful we can see an integrated, you know, fully-engineered product for the China market that is a much lower price point.

In terms of when, it's probably too early to give you a good answer on this. Obviously we have very ambitious plans and Weichai aren't, you know, they're not shy

either about setting very aggressive goals, but realistically I think it's going to be 12 to 24 months before we'd see HPDI product.

The joint venture does have existing natural gas engine products, so Weichai and Peterson have been building alternative fuel products for some years, and Weichai includes, I mean they're also one of the largest manufacturers of industrial engines and things like off-road construction equipment and power generation, so there may well be some near-term revenue opportunities for the joint venture but we haven't yet really sorted out the product line in terms of exactly what we're going to carry over and what we're going to do at HPDI. So I'd say we're very encouraged by the near-term opportunity and the overall opportunity to reduce price point through supply chain work, but it's too early really to give you a hard answer.

Rupert Merer, National Bank Financial

Okay, thanks. And do you have a feel for the R&D investment that would be required for that joint venture and is there any new IP that's expected to be developed and how would the ownership of that IP be shared?

David Demers, Chief Executive Officer

Yeah, that's another good question. I'll be a little circumspect on this. There may well be some new IP but we're responsible for development of the fuel system, so that will remain within Westport. It's not within the joint venture. So we will be supplying what amounts to black box fuel systems to the joint venture and we expect that IP to be embodied in Westport patents and systems that we can use with other partners.

The R&D budget, I think you can probably get a pretty good idea of what we think the joint venture capitalization needs to be. Our \$4.5 million investment gives us 35 percent, we'll see corresponding investments by Weichai, and so you'd expect that we will spend that cash to get to cash flow breakeven on the joint venture. So that's an initial budget. You know, it may be too little, it may be conservative, but we're not talking hundreds of millions of dollars to get this out the door.

Rupert Merer, National Bank Financial

Okay, thanks. I'll jump back in queue.

Operator

Thank you. As a reminder, if you have a question, please press star one at this time.

The next question will be from Bob Wallace from Raymond James. Please go ahead; your line is now open.

Bob Wallace, Raymond James

Thank you. Good morning gentlemen and Elaine.

Elaine Wong, Chief Financial Officer

Good morning, Bob.

Bob Wallace, Raymond James

You've got in a previous statement that you're raising \$86 million and you are looking at listing on other exchanges. Would you flesh out what's happening there? Because I notice you've got Europe and Asia tied up, or not tied up but on the way to being tied up, and there seems to be a void for the HPDI in North America as far as a relationship is concerned. Is this what it's all about?

David Demers, Chief Executive Officer

We can't really comment on this, Bob. You're right, there is a prospectus on file and, you know, I think really your answers are all in the prospectus, so I think that's really the best thing we can say at this point.

Mike Gallagher, President & Chief Operating Officer

On the North American relationship question, Bob, this is Mike, I just might add a note that the North American relationships are already in place, both with Cummins on

the supply of ISX engines but also increasingly emphasis on the OEM truck side with the Kenworth agreement for mass production, it just doesn't happen to take the form of a joint venture in terms of the business arrangement.

Bob Wallace, Raymond James

The other thing is that your consolidation has left a few people a little confused; could you comment on that?

David Demers, Chief Executive Officer

Well it's pretty well described, I think, in the circular. It's a 3.5 to 1. So that did happen. So we're trading at the consolidated share price and the consolidated share capital is in place. And I think that happened last...

Elaine Wong, Chief Financial Officer

23rd. It's started (inaudible).

David Demers, Chief Executive Officer

So it was (inaudible) on the 23rd on TSX.

Elaine Wong, Chief Financial Officer

And all the financial statements have been retroactively restated to reflect that consolidation in our numbers, loss per share numbers and option numbers, Bob.

Bob Wallace, Raymond James

Okay. You talk about your cash and what, um, will there be... I'm sorry, it's okay. I'll pass. Thanks very much.

Operator

Thank you. The next question will be from Ron Oster from Broadpoint Capital. Please go ahead; your line is now open.

Ron Oster, Broadpoint Capital

Good morning, guys.

David Demers, Chief Executive Officer

Good morning, Ron.

Ron Oster, Broadpoint Capital

You commented on the heavy duty breakeven point and how it's largely dependent on the Ports opportunity, I just wanted to ask you with regards to that how you expect the upcoming October deadline to be treated for the ban of the pre-1989 trucks? Do you expect that to be pushed back at this point in time?

And then secondly, just you mentioned a few, a couple hundred truck orders; how do you kind of expect the order flow to be through year end, if you have any outlook through the end of the year.

Mike Gallagher, President & Chief Operating Officer

Thanks, Ron. This is Mike. On the truck side, with respect to the October 1 date when the Ports have agreed to ban the first tranche of the older diesel trucks older than a certain vintage, ah, it's interesting to track this. The Ports are holding the line pretty hard on keeping that program intact and in fact that was the primary reason behind the Port of Long Beach board's initial authorization of a so-called Jumpstart set of orders starting about a month ago, both with some on the diesel side and then, more importantly, the 100 Sterling CWI trucks and then most recently 100 Westport Kenworth trucks as well.

So that Jumpstart Program has been designed by them with the purpose of getting the first trucks rolling by October 1. Will they have the full complement of replacement trucks for the pre-89 diesels by then? That totals two thousand and some diesel trucks so, no, they won't have that number of replacement trucks in place yet but they will have orders starting to flow, they will have the first trucks on the road, and they will be moving, I believe, full speed ahead for the additional replacement trucks. So that's been reiterated again as

recently as last week with their statement from the executive director of the Port of Long Beach that despite the ATA suit the Ports plan to move full speed ahead.

And what was the second part of your question?

Ron Oster, Broadpoint Capital

Just wondering how, ah, what kind of order flow you anticipate once this does get going. What you expect to see there.

Mike Gallagher, President & Chief Operating Officer

Yeah, of course, as I said in my remarks, we'd be announcing orders as they're signed. I can't say too much about the precise likelihood there, we never know until we sign the agreements, but I can say that I would expect news over the coming months, both on the port side with a closing of pre-order negotiations and the first movement toward the next tranche of port orders and, in fact, the Port of Long Beach put out a press release just last night requesting applications from the fleet's four financial incentives under this program and announced the generous incentives once again. And I would expect in addition some announcements on the commercial truck fleet side here in North America and probably Australia as well.

Ron Oster, Broadpoint Capital

Okay. And then lastly, you mentioned other port opportunities; can you just provide an update there? And that's all I have. Thank you.

Mike Gallagher, President & Chief Operating Officer

Yeah, other ports, I think the update is just to suggest that we are noticing an increased interest on the part of other ports, particularly in North America at this point but to some degree in Asia as well, in what's going on at the port of Los Angeles, Port of Long Beach, both around clean trucks and particularly around LNG trucks, and we've begun some initial discussions with a couple of those guys already.

Ron Oster, Broadpoint Capital

Great, thanks.

Operator

Thank you. We have a follow-up question from Rupert Merer from National Bank. Please go ahead; your line is now open.

Rupert Merer, National Bank Financial

Thank you. This quarter we saw a small increase in inventory, I think about 2.6, 2.7 million; do we expect to see much more working capital going forward as you ramp up for the Ports?

Elaine Wong, Chief Financial Officer

Yeah, I think you will, Rupert, just based on the numbers that the Port's been talking about and as we ramp up to supply Kenworth once they come on-stream next spring. How much of that we'll need will sort of depend on how quickly the port goes, you know, kind of following up on the previous questions.

Mike Gallagher, President & Chief Operating Officer

Yeah, and how fast we flush them out on the back end on the sales side.

David Demers, Chief Executive Officer

Part of what we're trying to do, Rupert, as we've talked about before, we've got to step into the supply chain and iron out any of the wrinkles, because our production capacity is limited by the slowest supplier and, you know, there are dozens of suppliers involved in building these LNG trucks and so we've got to kind of oversee the whole thing.

Now ultimately, you know, maybe a couple of years from now, we hope that we're completely uninvolved

and that this is all just automated, you know, from the truck factory back through all this various supply chain, but in the meantime, you know, we are getting in the middle and, where necessary, will order some inventory and build that up. And I think our intervention is going to be critical in terms of building up supply chain in a well-managed fashion over the next 6 to 12 months.

Mike Gallagher, President & Chief Operating Officer

Yeah, on that point, just to reiterate Dave's thought, we're basically in the business of creating this industry in terms of demand for LNG trucks and at the same time we're creating the capacity to supply that industry.

Rupert Merer, National Bank Financial

Do you have a feel for what your ultimate inventory levels would look like? Will you expect 30 days of sales, for example, for HPDI or something on that—?

Elaine Wong, Chief Financial Officer

Our ultimate? I think the ultimate objective is to kind of get to the (inaudible) model where, as David indicated, where you've got the truck OEMs managing the supply chain directly and we're out of it. I think that's sort of the ultimate objective. I think in the meantime it does kind of depend on if we can get some sort of orderly monthly, ah, you know, 30 days or just-in-time inventory and just get that ready for port and non-port customers.

Rupert Merer, National Bank Financial

Okay, great. Just one last question then. You mentioned you thought the level of orders you're seeing in CWI could be maintained. Obviously we will expect some lumpiness going forward but do you expect the run rate from Q1 then to be a fair estimate for your run rate going forward with some growth potential?

David Demers, Chief Executive Officer

Geeze, Rupert, how many quarters have we told you we can't give you any sort of indication on forward

guidance, you know, but you keep coming up with great new innovative questions.

Short answer is, um, I'll take Elaine off the hook on this. You know, we've been trying to say for the last few quarters that demand is really strong. CWI is penetrating new markets. Trucks in particular I think is surprisingly strong, the refuse market is very strong, lots of success, lots of happy fleets, and the price of fuel is encouraging faster adoption rates than we saw in the bus business. At the same time, the bus business is very strong. So I think CWI is doing very well and we're going to continue to see good growth.

The formal guidance, I'll just reiterate for anybody on the call, the only formal guidance we've given is that we planned CWI for more than 30 percent compound growth in the top line and we're beating that, we've been beating that. We don't see any reason for it to slow down.

Rupert Merer, National Bank Financial

All right, thanks. I guess I'll have to start working on a way to ask that question next quarter.

David Demers, Chief Executive Officer

Keep trying.

Operator

Thank you. There are no further questions registered at this time so I'll return the meeting back to you, Mr. Seed.

Darren Seed, Director, Investor Relations

Thank you everyone for your time and we look forward to updating you on our next conference call.

Operator

Thank you. The conference has concluded at this time. You may disconnect your telephone lines. Thank you very much for your participation.