WESTPORT INNOVATIONS INC
Form SUPPL
February 22, 2012
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The information in this prospectus supplement is not complete and may be changed. This prospectus supplement is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

Filed pursuant to General Instruction II.L. of Form F-10
File No. 333-178714

PROSPECTUS SUPPLEMENT (Subject to Completion)

(to Prospectus dated January 3, 2012)

Issued February 21, 2012

5,000,000 Shares

COMMON SHARES

Westport Innovations Inc. is offering 5,000,000 common shares.

Our Common Shares are listed on the Toronto Stock Exchange, or the TSX, under the trading symbol WPT and on The Nasdaq Global Market, or NASDAQ, under the symbol WPRT. On February 17, 2012, the closing price of the Common Shares on the TSX and NASDAQ was $44.66 and U.S.$44.90, respectively.

Investing in our common shares involves risks. See Risk Factors beginning on page S-15 in this prospectus supplement and in the accompanying prospectus, beginning on page 9.

PRICE U.S. $ PER SHARE

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Company
Per Share	U.S.$	U.S.$	U.S.$
Total	U.S.$	U.S.$	U.S.$

We have granted the underwriters the right to purchase up to 750,000 additional common shares to cover over-allotments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to purchasers on , 2012.

MORGAN STANLEY **JEFFERIES**

LAZARD CAPITAL MARKETS

CRAIG-HALLUM CAPITAL GROUP **JPM SECURITIES** **CANACCORD GENUITY** **NORTHLAND CAPITAL MARKETS**

February , 2012

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IMPORTANT NOTICE ABOUT INFORMATION IN THIS

PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS

This document is in two parts. The first part is this Prospectus Supplement, which describes the specific terms of Common Shares we are offering and also adds to and updates certain information contained in the Prospectus and the documents incorporated by reference therein. The second part, the Prospectus, gives more general information, some of which may not apply to the Common Shares offered hereunder. This Prospectus Supplement is deemed to be incorporated into the accompanying Prospectus solely for the purpose of the Offering.

You should rely only on the information contained in this Prospectus Supplement and the Prospectus or incorporated by reference into the Prospectus. We have not authorized any other person to provide you with additional or different information. If anyone provides you with different or inconsistent information, you should not rely on it. We and the Underwriters are offering to sell, and seeking offers to buy, these securities only in jurisdictions where offers and sales are permitted. You should assume that the information appearing in this Prospectus Supplement and the Prospectus, as well as information we have previously filed with the SEC and with the securities regulatory authority in each of the provinces of Canada that is incorporated in the Prospectus by reference, is accurate as of their respective dates only. Our business, financial condition, results of operations and prospects may have changed since those dates.

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In this Prospectus Supplement and the Prospectus, unless otherwise indicated, references to **we** , **us** , **our** , **Westport** or the **Corporation** are t Westport Innovations Inc. and all of its wholly-owned and majority-owned subsidiaries and consolidated joint ventures including Cummins Westport Inc. (**CWI**). All references to **dollars** , **Cdn.$** or **$** are to Canadian dollars and all references to **U.S.$** are to United States dollars.

Prior to the fiscal year commencing April 1, 2011, we prepared our consolidated financial statements in accordance with Canadian GAAP, which differs from U.S. GAAP. Canadian GAAP financial statements for the year ended March 31, 2011 incorporated by reference in this Prospectus Supplement, the Prospectus and in the documents incorporated by reference in this Prospectus Supplement and the Prospectus may not be comparable to financial statements prepared in accordance with U.S. GAAP. You should refer to Note 24 of our audited consolidated financial statements as at March 31, 2011 and 2010 and for each of the years in the three-year period ended March 31, 2011 for a discussion of the principal measurement differences between our financial results determined under Canadian GAAP and under U.S. GAAP and for disclosure differences. See Documents Incorporated by Reference . Effective April 1, 2011, we adopted U.S. GAAP, and as a result, we have prepared our interim consolidated financial statements as at September 30, 2011 and for the three and six months ended September 30, 2011 in accordance with U.S. GAAP.

SPECIAL NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Prospectus Supplement and the Prospectus, and in certain documents incorporated by reference in the Prospectus, may constitute forward-looking statements . When used in such documents, the words may , would , could , will , intend , plan anticipate , believe , estimate , expect , project and similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. In particular, this Prospectus Supplement, the Prospectus and the documents incorporated by reference in the Prospectus contain forward-looking statements pertaining to the following:

- the future demand for CWI, Westport and Westport Light Duty Inc. (formerly Juniper Engines Inc.) (**WLD**), products;
- the penetration of our existing markets and expansion of those markets;
- our ability to successfully launch new technology in light-, medium-, and heavy-duty markets initiatives;
- our ability to expand, exploit and protect our intellectual property;
- our capital expenditure and engineering investment programs;
- the future desirability and use of natural gas as an alternative fuel;
- commodity prices and the fuel price differential between natural gas, diesel and other petroleum-based products;
- ongoing relationships between us and our business and joint venture partners;
- our ability to continue to compete with our competitors and their technologies;
- the capital and operating costs of vehicles using our technologies relative to alternative technologies;

continuing growth in the transportation sector and in the natural gas engine market;

profit margins and production costs of engines incorporating our technologies;

the further development of infrastructure supporting the application of natural gas as an alternative fuel;

increasing penetration of our technologies in key markets within the transportation sector and in key geographic markets;

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increasingly stringent environmental and emissions regulations in the future;

ongoing availability of government incentives and mandates for our technology;

our ability to attract and retain personnel;

production methods for our liquefied natural gas (**LNG**), compressed natural gas (**CNG**), and liquefied petroleum gas (**LPG**), systems;

increasing commercialization of our technologies;

expansion of our product offerings;

our adoption, timing and ability to meet certain accounting and regulatory standards;

the ability of our products to adapt to the use of biogas, renewable natural gas (**RNG**) and manufactured fuels, including hydrogen, as fuels;

our estimates and assumptions used in our accounting policies, and accruals, including warranty accruals, and financial condition;

our use of the net proceeds of the Offering;

our compliance with environmental regulations; and

our foreign subsidiaries past and potential future involvement with countries subject to Canadian and U.S. sanctions and embargoes.

Such statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements due to a number of uncertainties and risks, including the risks described in this Prospectus Supplement, the Prospectus and in the documents incorporated by reference into the Prospectus and other unforeseen risks, including, without limitation:

market acceptance of our products;

product development delays;

delays in contractual commitments;

changing environmental regulations;

the ability to attract and retain business partners;

the success of our business partners and original equipment manufacturers (**OEMs**), with whom we partner;

future levels of government funding and incentives;

competition from incumbent or new technologies;

price differential between CNG, LNG and LPG relative to petroleum-based fuels;

limitations on our ability to protect our intellectual property;

potential claims or disputes in respect of our intellectual property;

limitations in our ability to successfully integrate acquired businesses;

limitations in the development of natural gas refueling infrastructure;

the ability to provide the capital required for research, product development, operations and marketing; and

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those risks discussed in this Prospectus Supplement and the accompanying Prospectus under the heading Risk Factors .
You should not rely on any forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, after we distribute this Prospectus Supplement, except as otherwise required by law.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purpose of the Offering. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for full particulars thereof. See Documents Filed as Part of the Registration Statement in this Prospectus Supplement.

Information has been incorporated by reference into the Prospectus from documents filed with securities commissions or similar authorities in Canada and with the SEC in the United States. Copies of the documents incorporated by reference may be obtained on request without charge from our Vice President, Investor Relations & Communications at 101-1750 West 75th Avenue, Vancouver, British Columbia, V6P 6G2, telephone (604) 718-8321. Copies of documents incorporated by reference may also be obtained by accessing the web site located at *www.sedar.com*.

We have filed the following documents with the securities commissions or similar regulatory authorities in each of the provinces of Canada and with the SEC, and such documents are specifically incorporated by reference into, and form an integral part of, the Prospectus as supplemented by this Prospectus Supplement:

our annual information form dated June 1, 2011, for the year ended March 31, 2011 (the **AIF**);

our management proxy circular dated June 1, 2011 relating to the annual meeting of shareholders held on July 14, 2011 (the **Management Proxy Circular**);

our audited consolidated financial statements as at March 31, 2011 and 2010 and for the years ended March 31, 2011, 2010 and 2009, together with the notes thereto, and the auditors report thereon addressed to our shareholders;

our management s discussion and analysis of financial condition and results of operations dated June 8, 2011, for the year ended March 31, 2011 (the **Annual MD&A**);

our material change report dated February 21, 2012 relating to our amended joint venture agreement in respect of CWI;

our business acquisition report dated September 14, 2011 relating to our acquisition of Emer S.p.A. (**Emer**);

our business acquisition report dated September 14, 2010 relating to our acquisition of OMVL S.p.A. (**OMVL**);

our interim consolidated financial statements as at September 30, 2011 and for the three and six months ended September 30, 2011; and

our interim management s discussion and analysis of financial condition and results of operations dated October 31, 2011, for the three and six months ended September 30, 2011 (the **Q2 MD&A**).

Any statement contained in this Prospectus Supplement, the Prospectus or in a document (or part thereof) incorporated or deemed to be incorporated by reference into the Prospectus shall be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed

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document which also is, or is deemed to be, incorporated by reference into the Prospectus modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to be incorporated by reference into the Prospectus or to constitute a part of this Prospectus Supplement. Any documents of the type required by National Instrument 44-101 Short Form Prospectus Distributions of the Canadian Securities Administrators that we file after the date of this Prospectus Supplement and before termination of the Offering are deemed to be incorporated by reference into the Prospectus.

EXCHANGE RATE INFORMATION

The following table sets out, for each period indicated, the exchange rate at the end of the period and the average of the exchange rates on each day during the period for one U.S. dollar expressed in Canadian dollars, based on the U.S.-Canada dollar noon exchange rates quoted by the Bank of Canada. On February 17, 2012, the rate was Cdn.$ 0.9970 equals U.S.$1.00.

	Fiscal Year Ended March 31,			Six Months Ended September 30,
	2011	2010	2009	2011
Average for period	1.0163	1.0904	1.1264	0.9743
End of period	0.9718	1.0156	1.2602	1.0389

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PROSPECTUS SUMMARY

The following summary highlights basic information about us and this Offering. This summary does not contain all of the information you should consider before making a decision to invest in our Common Shares. You should review this entire Prospectus Supplement and the accompanying Prospectus carefully, including the risks of investing in our Common Shares discussed in the Risk Factors section of this Prospectus Supplement and the accompanying Prospectus and our consolidated financial statements and notes thereto and the other documents incorporated into this Prospectus Supplement and the accompanying Prospectus by reference.

WESTPORT INNOVATIONS INC.

Overview

We are a leading provider of high-performance, low-emission engine and fuel system technologies utilizing gaseous fuels. Our technology and products enable light- (less than 5.9 litre), medium- (5.9 to 8.9 litre), heavy-duty (11 to 16 litre) and high-horsepower (greater than 16 litre) petroleum-based fuel engines to use primarily natural gas, giving users a cleaner, and generally less expensive alternative fuel based on a more abundant natural resource. To date, we have sold over 30,000 natural gas and propane engines to customers in more than 19 countries. We currently have strategic relationships with three of the world s top four engine producers and supply or have strategic relationships with six of the world s top ten truck producers as well as seven of the world s top ten automotive manufacturers.

Since our founding in 1995, we have focused on developing technology that allows us to produce more environmentally sustainable engines without compromising the performance, fuel economy, durability and reliability of diesel engines. We have invested over U.S.$300 million towards the research, development and commercialization of our proprietary technologies, which allow engines to operate on natural gas while preserving the key benefits of diesel engines. The substitution of natural gas for petroleum-based fuel drives a significant reduction in harmful combustion emissions, such as nitrogen oxides, particulate matter and greenhouse gases, in addition to providing a relatively inexpensive alternative fuel from a more plentiful natural resource. Our systems enable combustion engines to use gaseous fuels, such as natural gas, propane, RNG or hydrogen. Our research and development effort and investment have resulted in a substantial patent portfolio that serves as the foundation for our differentiated technology offerings and competitive advantage.

We leverage our proprietary technology by partnering with the world s leading diesel engine and truck OEMs. Our strategic relationships with OEMs provide us with access to their manufacturing capacity, supply chain and global distribution networks without incurring the considerable investment associated with these assets. We commercialize our technology in markets where demand for clean, low-emission engines is prevalent, including light-duty, medium- to heavy-duty and heavy-duty, as follows:

***Westport Light-Duty*.** Westport Light-Duty (**Westport LD**), which is currently composed of WLD, Juniper S.r.l., OMVL, Emer and Alternative Fuel Vehicle (**AFV**), designs, produces and sells high-performance alternative fuel engines, systems and components targeting the high volume light-duty vehicle and engine segments for automotive and industrial markets. Westport LD offers advanced technology CNG and LPG engines and fuel systems for the OEM markets. Customers and partners include GM, Fiat, VW, Toyota and PSA Peugeot Citroën. In North America, Westport LD offers fully-integrated, cost-effective solutions available in light-duty vehicles with the Westport WiNG Power System an advanced, integrated, bi-fuel (natural gas / gasoline) system for fleet customers of commercial and passenger vehicles, initially launching on the Ford F-250 and F-350 platforms. The North American business is supported through Westport LD Michigan Technical Center. In Sweden, Westport LD offers bi-fuel (natural gas/gasoline) systems engineered and installed by AFV for the Volvo V70 bi-fuel wagon. Westport LD also

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offers OMVL and Emer brand aftermarket kits and components for conversion of engines from gasoline, or petrol, to CNG and LPG. For industrial applications, Westport LD offers complete engine solutions to industrial vehicle OEMs and stationary packagers globally. Westport LD currently supplies Clark Material Handling with Juniper 2.4L CNG and LPG industrial engines based on the Hyundai platform for Clark forklifts sold globally. The Juniper 2.4L engine is also available for stationary applications such as engine power units for oilfield applications, where Westport LD sells to Cummins Western Canada agricultural installations for electrical power generation. Effective August 3, 2011, the name of Juniper Engines Inc. was formally changed to Westport Light Duty Inc. This was a change of name only, and the business continues unaffected. WLD will continue to use the Juniper brand.

CWI. CWI, our 50:50 joint venture with Cummins, Inc., (**Cummins**), serves the medium- to heavy-duty engine markets. CWI s engines are offered by many OEMs of transit and shuttle buses, conventional trucks and tractors, and refuse collection trucks, as well as specialty vehicles such as short-haul port drayage trucks, material handling trucks, street sweepers and vehicles for selected industrial applications. The fuel for CWI engines is typically carried on the vehicles as CNG or LNG. CWI engines are produced at certain Cummins plants allowing CWI to leverage Cummins manufacturing footprint without incurring additional capital costs. CWI also utilizes Cummins supply chain, back office systems and distribution and sales networks.

Westport Heavy-Duty. Westport Heavy-Duty, (**Westport HD**) is a business unit of Westport serving the heavy-duty engines markets and currently offers a 15 litre natural gas engine for the heavy-duty trucking market in North America. Westport HD applies our proprietary development platform, and is engaged in the engineering, design and marketing of natural gas-enabling technology for the heavy-duty diesel engine and truck market. The fuel for the Westport HD system is typically carried on the vehicle as LNG to provide greater energy density compared to CNG and to allow the vehicle to travel farther before refuelling. At the heart of the Westport HD system is our proprietary high pressure direct injection (**HPDI**) technology, which provides the environmental and cost benefits of natural gas while delivering comparable benefits of diesel engines: high efficiency over the speed and torque operating range, high torque capability and robust reliability.

We have formed additional joint ventures to capitalize on the growth of alternative fuel engines in geographic markets outside of North America and Europe. In July 2010, we established Weichai Westport Inc. (**WWI**), a joint venture between Westport (35% interest), Weichai Power Co. Ltd. (**Weichai**) (40% interest) and Hong Kong Peterson (CNG) Equipment Ltd. (25% interest), to focus on the Chinese market. WWI develops, manufactures and sells advanced, alternative fuel engines and parts that are widely used in city bus, coach and heavy-duty truck applications in China or exported to other regions globally. WWI s facility in China has an annual production capacity of 20,000 engines. WWI is integrating Westport HPDI technology into Weichai s heavy-duty engine platform for future products seeking to deliver best-in-class solutions in a rapidly developing market.

In September 2011, we entered an agreement with an affiliate of Royal Dutch Shell Plc (**Shell**) to launch a co-marketing program in North America aimed at providing customers with a better economic case when purchasing and operating liquefied natural gas powered vehicles (**LNGVs**) by consolidating key value chain components such as fuel supply, customer support and comprehensive maintenance into a single, user-friendly package.

Industry

Natural Gas Vehicle Market is Approaching a Tipping Point

The number of deployed natural gas vehicles (**NGVs**) is large and growing rapidly. The latest data from NGV Global (formerly known as The International Association for Natural Gas Vehicles IANGV, iangv.org) shows the number of NGVs worldwide grew from about 1.8 million in 2001 to about 12.7 million in 2010, a compound annual growth rate (**CAGR**) of 24.2%.

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In the United States, natural gas engines are used in a wide range of applications. According to the American Public Transportation Association, the share of transit buses in the U.S. powered by natural gas has been growing steadily and now approaches 20%.

In addition, in the U.S. natural gas engines power nearly 4,000 refuse trucks; 3,000 school buses; up to 17,000 medium-duty vehicles, including airport shuttles and various work equipment applications; and more than 30,000 light-duty vehicles, including federal, state, local government and private fleets.

However, these statistics represent only a small fraction of the market opportunity in each of these segments, and we believe demand for natural gas engines will continue to increase dramatically as a result of favorable economics, build out of the refueling infrastructure and increasing government incentives for natural gas vehicle adoption. In addition to these major drivers, the cyclical nature of customer purchases to update fleet vehicles will offer many opportunities to replace conventional engines with natural gas engines.

The natural gas vehicle market appears to be approaching a tipping point due to a confluence of factors. Global transportation industry OEMs are demonstrating an increasing interest in natural gas engines as many countries endeavor to reduce their reliance on petroleum-based transportation fuels due to high and volatile oil prices, heightened environmental and national security concerns, and a desire for energy independence. Natural gas is typically cleaner and cheaper than petroleum-based fuels and is derived from a more abundant natural resource. In addition, stricter emissions regulations, coupled with various local incentive programs, have accelerated the adoption of alternative fuel vehicles, particularly for fleet customers. Furthermore, there is an effort to deploy natural gas refueling infrastructure along high traffic trucking routes, particularly in North America, which we believe will help drive adoption among over the road (or long haul) trucking fleets.

The U.S. Energy Information Administration s (**EIA**) latest Annual Energy Review (October 2011) reports that petroleum-derived fuels supply about 94% of the transportation fuel used in the United States, illustrating the large opportunity for natural gas substitution in this market. While alternatives such as nuclear, solar and wind power may be appropriate substitutes for power generation, we believe there is a narrower range

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of alternatives in transportation where the fuel and its storage system need to be both light and compact for effective use in a vehicle. As a result, natural gas has become one of the primary alternatives to diesel fuel and gasoline.

Natural Gas Abundance Leads to a Sustainable, Long-Term Fuel Price Stability Advantage over Petroleum

One of the primary drivers accelerating NGV adoption is the increasing price advantage that natural gas has relative to diesel fuel. U.S. Department of Energy (**DOE**) data shows while diesel fuel prices react strongly to fluctuations in crude oil prices, the price for natural gas for vehicles, while fluctuating somewhat with crude oil prices, is not only lower than the price for diesel fuel but also more stable. This means that when prices for crude oil rise, the price advantage for natural gas versus diesel fuel widens, strengthening the economic case for NGVs. Many major energy agencies, such as the EIA and the International Energy Agency (**IEA**), expect that oil prices will continue to rise in the longer term. The chart below covers about 12 years of natural gas and crude oil prices that have ranged from about U.S.$20/bbl to nearly U.S.$150/bbl we expect that the price advantage for natural gas will only strengthen as crude oil prices rise.

Substantial natural gas reserves in the United States, Canada, Australia, China, India, Russia, the Middle East and South America lessen the likelihood of price volatility from concentrated reserves and reduce national security and energy independence concerns posed by oil. Further discoveries of vast shale formations and advancements made in drilling technologies have dramatically expanded the supply of natural gas in the United States and abroad. According to the EIA, the total U.S. natural gas resource base is estimated at 2,119 trillion cubic feet (**tcf**). Unconventional gas (shale gas, tight sands, and coalbed methane) now comprises 60% of onshore recoverable natural gas resources, and the DOE expects unconventional sources of gas to meet over half of United States gas demand within 20 years. The Haynesville shale in Texas and Louisiana was discovered to have significant gas reserves with an estimated 717 tcf of gas in place. Similar finds have been made in Canada, with British Columbia s Horn River shale find estimated as one of the larger, low-cost shale gas reserves in North America. Additionally, over the past few years, there have been significant discoveries in Poland (an estimated 187 tcf), Bangladesh (an estimated 6.6 tcf), Venezuela (an estimated 6 tcf), Norway, Australia, the North Sea and elsewhere. Since gas reserves are widely spread around the world, including in Western countries, there is little danger that gas prices will become

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dominated by a supply cartel, as is the case for crude oil. We believe that favorable pricing for natural gas as a transportation fuel compared with more volatile oil prices will lead to increased demand for our natural gas engines.

Significant Market Opportunities for Westport

Light-Duty Segment. The light-duty segment represents a significant opportunity to replace petroleum-based fuel with natural gas in Westport LDs three target markets, consisting of forklift engines, oilfield engines, and fleet vehicles. The market for alternatively-fueled industrial forklift engines was estimated in 2008 at 62,000 engines per year (primarily LPG) in North America, according to the Industrial Truck Association. The market for oilfield engines consists of artificial lift and gas compression engines. Cummins Western Canada estimates that there are over 10,000 alternative fueled engines (primarily natural gas) sold into the oilfield space each year. The market for light-duty fleet vehicles consists of such vehicles as business-owned fleet cars, taxis and delivery vans. According to the DOE Transportation Energy Data Book (July 2010), light-duty trucks consumed roughly 168 million gallons of petroleum-based fuels per day in 2008. This is equivalent to the gasoline produced from 4.0 million barrels at 42 gallons per barrel. Natural gas substitution could yield significant cost savings and emissions reduction as business-owned fleet cars travel more miles on average than privately owned cars (28,020 annually compared to 12,000 for private cars in 2008) and tend to be replaced more frequently.

Medium and Heavy-Duty Segment. Datamonitor estimates the global medium- and heavy-duty vehicle market (consisting of vehicles over 3.6 tonnes) in 2009 was U.S.$234.1 billion and is projected to grow at a 7.9% CAGR to U.S.$343.0 billion by 2014. In 2009, the Americas represented 60.0% of the total market, or U.S.$140.5 billion, and are expected to grow at a 6.6% CAGR to U.S.$193.6 billion by 2014. In 2009, the North American Class 8 heavy-duty truck market, which includes refuse, cement and heavy conventional trucks, was led by Daimler, Navistar, PACCAR and Volvo, representing 98% of the overall market. Asia-Pacific is the fastest growing market with sales expected to reach U.S.$94.8 billion by 2014, a 9.5% CAGR from 2009. China continues to be the largest market for and producer of buses, accounting for approximately 22% of total demand in 2014. The European market is also projected to have strong growth in the near- to medium-term with sales increasing at a 10.2% CAGR to U.S.$54.6 billion by 2014.

High-Horsepower Segment. Even larger consumers of diesel fuel that will benefit from utilizing Westport HD technologies are found in high-horsepower applications such as locomotives, mine trucks and marine vessels, where individual vehicles can easily consume upwards of 250,000 gallons per year. These demanding engine applications are often operated in regions where LNG offers a significant cost advantage over diesel; however, up to now, no viable natural gas technology has been available and only a small fraction of vehicles use natural gas. Therefore, this represents a significant opportunity for us. Moreover, what makes this sector even more attractive is that there is a concentrated target group of OEMs and customers who dominate the market, and when presented with the necessary technology solutions and long-term price stability advantages of natural gas, are more than capable of making the necessary investment to implement a rapid shift from diesel to LNG. We are already working with Caterpillar to evaluate direct injection, natural gas fuel system technologies for possible use on Caterpillar s large engines, and with Electro-Motive Diesel (**EMD**) to integrate Westport HPDI technology and natural gas fuel system technologies into an EMD locomotive provided by Canadian National Railways.

	Rail	**Marine**	**Mining**
	Mainline Locomotives	Small to Medium Sized Vessels	Large Mine Trucks (>100t)
Annual fuel use per engine unit [US gallons/year]	150,000 - 450,000	80,000 - 400,000	120,000 - 715,000
Units of interest in service [number of units]	46,000	30,000+	28,600
Total annual fuel use [US gallon billions/year]	5.7	2.7	1.8
Total economic value of fuel cost savings* [US$ billions/year]	$ 11.4 bn	$ 5.4 bn	$ 3.6 bn

* assumes $2/gal diesel to LNG saving

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Sources: UN Energy Statistics Database 2008
Mining Company Sustainability Reports 2010/11
DOT, Surface Transportation Board, Class 1 Railroad Form R-1 filings 2010
Bureau of Transport Statistics, National Transport Statistics 2010
Parker Bay Company, Mining Equipment Database 2011
Morgan Stanley, Mining Equipment Chart Book May 2011
Diesel and Gas Turbine Worldwide Magazine, 2011 Marine Propulsion Order Survey
China Statistical Yearbook 2010
Westport Analysis

Significant Government & Legislative Support for Natural Gas Vehicles

In the United States, both state and federal entities have been proponents of the growth of the natural gas transportation industry. This was evident in the passing of the *Energy Policy Act of 2005, PL 109-58*, which provided for an income tax credit for the purchase of a new, dedicated alternative fuel vehicle and fueling infrastructure that could stimulate sales of natural gas vehicles and the development of additional natural gas fueling infrastructure. With the expiration of the Qualified Alternative Fuel Motor Vehicle Credit there has been no eligible tax credit for natural gas vehicles since December 31, 2010.

The global economic crisis has had a significant effect on the economy of the United States which has led to the re-evaluation of its energy use and sources of energy to meet current and future needs. The discovery of shale gas reserves in the United States as well as advances in natural gas extraction technologies has made once inaccessible gas affordable and available. States such as Pennsylvania, New York, Ohio, Colorado, Texas and others find that they all have significant shale gas reserves in the Marcellus, Utica, Barnett, Eagle Ford shale reserves to name a few; increased production has made large volumes of natural gas available at affordable prices. The desire to find new markets for this natural gas as well as support regional economic development have pointed to using natural gas as a transportation fuel in place of gasoline or diesel.

While there is widespread support for the use of natural gas in transportation the Federal Government of the United States has been unable to pass legislation to codify support for natural gas vehicles.

The *Open Fuel Standard Act of 2011* was introduced in the House of Representatives on May 5, 2011 by Representative John Shimkus and 24 co-sponsors. The bill requires each fleet of a manufacturer of passenger automobiles to be comprised of a certain amount of qualified vehicles each year. Qualified vehicles include vehicles that operate solely on natural gas, hydrogen, or biodiesel in addition to other alternative fueled vehicles. Each year, the manufacturer fleets must be comprised of at least:

50% qualified vehicles in model year 2014;

80% qualified vehicles in model year 2016; and

95% qualified vehicles in model year 2017 and each subsequent year.

The Senate version of the bill was introduced September 22, 2011 by Senators Maria Cantwell and Richard Lugar. The Senate version requires each automobile manufacturer s annual covered inventory to comprise a certain percentage of fuel choice-enabling vehicles, which includes natural gas vehicles. Each year the covered inventory must be comprised of at least:

50% fuel choice-enabling vehicles in model years 2015-2017; and

80% fuel choice-enabling vehicles in model year 2018 and each subsequent model year.

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The Senate bill also authorizes the establishment of an open fuels standard credit trading program to allow vehicle manufacturers whose annual covered inventory exceeds the percentage requirements to earn credits, which may be sold to manufacturers that are unable to achieve such requirements.

The recent introduction on November 15, 2011 of Senate Bill 1863, the *New Alternative Transportation to Give Americans Solutions Act of 2011* (**NAT GAS Act**) was an effort to bring a streamlined version of the NAT GAS Act to the Senate in which a mechanism to finance the cost of incentives was proposed.

The Senate version of the bill was introduced by Senators Robert Menendez, Richard Burr, Harry Reid, and Clarence Saxby Chambliss and includes the following provisions:

- reinstatement of natural gas vehicle credits through December 31, 2016 with provision for tax credits and a tax on natural gas fuel;
- a proposed tax on natural gas through 2021 to finance the incentives proposed in the Bill;
- qualifying vehicles can be dedicated, dual, bi-fuel and retrofits to be eligible for tax credits;
- dedicated, bi-fuel, dual-fuel and retrofitted natural gas vehicles are eligible for tax credits with amounts determined by the amount of natural gas used and the weight class of the vehicle;
- dedicated and bi-fuel vehicles with at least 85% of its range on natural gas and dual-fuel vehicles that use at least 90% natural gas are eligible for a tax credit of up to 80% of the incremental cost up to a maximum. All other vehicles are eligible for a tax credit up to 50% of the incremental cost up to a weight class maximum. Vehicles with retrofit engines also qualify under this legislation;
- the weight classes and incentive categories are as follows:
  - less than 8501 lbs (LD)- U.S.$7,500 maximum;
  - 8501-14,000 lbs (MD)- U.S.$16,000 maximum;
  - 14,001-26,000 lbs (HD)- U.S.$40,000 maximum; and
  - 26,001 and greater (HD)- U.S.$64,000 maximum
- tax credits are transferable to the seller, lessee, or manufacturer and such credits will be available until the end of 2016; and

CNG will be taxed on a gasoline gallon equivalent and LNG will be taxed on an LNG gallon equivalent. Tax rates are as follows:

2014 and 2015 a tax rate of U.S.$0.025;

2016 and 2017 a tax rate of U.S.$0.05;

2018 and 2019 a tax rate of U.S.$0.10;

2020 and 2021 a tax rate of U.S.$0.125; and

2022 and thereafter a tax rate of U.S.$0.00

Other provisions in the bill are as follows:

new natural gas fueling property that is depreciable qualifies for a tax credit equal to the lesser of U.S.$100,000 or 50% of the cost of the property;

U.S.$2,000 tax credit for home refueling equipment not subject to depreciation;

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tax credit for the production of NGVs, the lesser of 10% of the manufacturer s basis or U.S.$4,000 per vehicle with aggregated credits not to exceed U.S.$200 million per manufacturer;

grants for facilities upgrades related to the production of energy efficient natural gas vehicles (includes, dedicated, bi-fuel and dual-fuel);

provision for DOE to fund R&D programs; and

grants for projects to acquire transit-related equipment or facilities for purposes of complying with or maintaining compliance with the *Clean Air Act*. The grants are available for 100% of the cost up to U.S.$75,000 and 90% for amounts greater than U.S.$75,000.

Our Competitive Strengths

We are a leading provider of high-performance, low-emission engine and fuel system technologies utilizing gaseous fuels. We believe we are well-positioned to capitalize on our rapidly expanding market opportunity given our significant competitive strengths:

Strong First Mover Advantage in Rapidly Growing Natural Gas Engine Market. Datamonitor estimates the global medium- and heavy-duty vehicle market (consisting of vehicles over 3.6 tonnes) in 2009 was U.S.$234.1 billion. Based on our proprietary technology, diverse product offering and global reach, we believe we are well positioned to capitalize on alternative fuel engines increasing share of that market. To date, we have sold over 30,000 natural gas and propane engines to customers in over 19 countries and have developed strategic relationships with OEMs in North America, Asia and Europe, positioning us well in the three largest markets for medium- and heavy-duty products. We currently have strategic relationships with three of the world s top four engine producers and supply or have strategic relationships with six of the world s top ten truck producers. Westport LD supplies or has strategic relationships with seven of the world s top ten automotive OEMs.

Alternative Fuel Technology Innovator. Alternative fuel system technology is the foundation of our business and our ability to commercialize our products globally. We believe the combination of our considerable investment in research and development and team of world-class engineers is responsible for driving innovation in gaseous fuel systems and combustion engine technology since our founding in 1995. Leading global engine producers and OEMs utilize our differentiated intellectual property, thereby allowing us to commercialize our products worldwide. We believe that our global patent portfolio has been pivotal to our market-leading position and that it continues to serve as a significant barrier to new entrants. In addition to protecting our competitive position in the market, our intellectual property also allows us to generate an additional revenue stream through licensing agreements. In order to support our business objectives, we expect our intellectual property portfolio to expand as we file new patent and trademark applications to capture value generated by new technological advances. As of December 31, 2011, we held approximately 300 issued patents worldwide, including 68 issued U.S. patents, in addition to numerous pending patent applications around the world.

Highly Capital-Efficient Business Model. Our strategic relationships underpin our capital-efficient business model in which working capital costs and capital expenditures can be shared with or borne by our strategic partners. We leverage our expertise in the development of our proprietary technologies by partnering with industry-leading manufacturers who are willing to invest in co-development, manufacturing and distribution of our products for our mutual benefit. Most notably, we are able to avoid the significant capital expenditures associated with manufacturing facilities and overhead costs that would be incurred to maintain manufacturing operations. We are also able to leverage the investment made by our partners in developing global distribution operations and their brands. We believe this model allows us to scale our business rapidly and achieve profitability faster with lower risk, without dependency on government incentives. Our business model is designed to achieve profitability based on the value proposition our technology delivers in terms of lower relative fuel cost and emissions reduction. Legislation and government incentives serve as potential upsides to our business.

Valuable Strategic and Business Alliances. We have established several strategic relationships with key industry OEMs, including Volvo, Cummins, Weichai and Delphi Automotive Systems, LLC (**Delphi**), to supply Westport proprietary HD fuel

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injectors. We have also established several strategic joint ventures, including CWI and WWI. In addition to our strong supply chain relationships, we have also developed strategic relationships with several leading truck OEMs, including: Kenworth Truck Company (**Kenworth**), Peterbilt Motors Company (**Peterbilt**), Mack Trucks, Inc., Freightliner Trucks and PACCAR Australia Pty. Ltd. We also have a strategic relationship with North America s largest natural gas refueling company, Clean Energy Fuels Corp., as well as other natural gas producers around the world such as Shell and Encana Corporation (**Encana**). These relationships provide significant value in leveraging our partners global market access and distribution channels while creating barriers for competitors seeking to enter our markets.

Cost-advantaged, High Performance, Low-emission Technology. Our fuel systems are engineered to deliver optimal performance attributes for the light-, medium- and heavy-duty vehicle markets as compared to other available options. In addition to providing significant emissions improvements over diesel or gasoline, our engines are more economical for customers through the use of lower cost natural gas. For example, our Westport HD engines offer class-leading emissions performance while maintaining diesel-equivalent horsepower, torque and fuel efficiency. The Westport WiNG Power System extends the driving range of gasoline trucks to about 600 miles (960 km), and the Juniper 2.4L engine offers a compact engine package, higher torque and power, and enhanced acceleration compared to competing LPG products.

Our Business Strategies

We believe that natural gas provides the best near-term alternative for oil in transportation and industrial applications, offering environmental, energy security and increasingly attractive economic benefits. Moreover, the technology and infrastructure for wide scale adoption already exists. Our objective is to enhance and protect our position as a leading global provider of alternative fuel systems technology for diesel applications using gaseous fuels such as CNG, LPG, RNG or hydrogen. In order to achieve this goal, we focus our efforts on the following business strategies:

Accelerate Market Penetration of Westport LD and Pursue Additional Light-Duty Engine Markets

Westport LD targets the high volume light-duty vehicle and engine segments for automotive and industrial markets. Westport LD intends to grow its business through new OEM relationships, expansion of existing relationships and continued strong aftermarket sales by leveraging its capabilities and assembly facilities in Italy, Sweden, Argentina and the United States that today supply Europe, Asia and the Americas. We will continue to pursue select strategic investments in new markets and develop OEM-class products and capabilities in order to allow Westport LD to compete for leadership in the light-duty alternative fuels market, with North American fleet vehicles being a significant target market.

Source: JP Morgan, Global Insight industry research as of December 2010

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Continue to Partner with Leading Global OEMs to Scale Westport HD Systems

Westport HD systems have been in development since 1999 and have undergone extensive testing and field trials in Canada, Australia and California, and in March 2007, Westport began commercial delivery of its systems for heavy-duty trucks. Through our relationships with Cummins, Weichai and Volvo, we have access to every major target market for heavy-duty trucks in the world. In North America, we have partnered with Kenworth Truck Company (a PACCAR Company), Kenworth Trucks (a division of PACCAR Australia), and Peterbilt Motors Company (a PACCAR Company) for line production of the Kenworth T800, the Kenworth Trucks T408SAR, K108, and T908, and the Peterbilt 386 and 367 trucks equipped with our LNG fuel system and Westport HD 15L engine in North America. In China, WWI is integrating Westport HPDI technology into Weichai s heavy-duty engine platform for future products seeking to deliver best-in-class solutions in a rapidly developing market. Moreover, Westport and Volvo are developing biogas- and natural gas-fuelled engine products that will meet future emission requirements and be commercialized according to a mutually agreed upon timeline.

We are continuing discussions with leading truck and engine OEMs to integrate our products into existing truck and engine configurations and expand our existing relationships. By offering a complete systems solution, including development services, to our OEM partners, our goal is to create market demand by nurturing early customers and removing possible barriers to adoption by working directly with strategic partners.

Continue to Partner with Leading Global OEMs to Develop Natural Gas Technologies for High-Horsepower Applications

There are a number of high-horsepower applications (16 litre or greater) that would benefit from utilizing Westport HD technologies such as locomotives, mine trucks and marine vessels. These demanding engine applications consume large amounts of fuel and often operate in regions where LNG offers a significant cost advantage over diesel, thereby providing favourable economics for natural gas use. Moreover, what makes this sector even more attractive is that there is a concentrated target group of OEMs and customers. We have previously demonstrated our technology on high-horsepower power generation applications and are currently working with a number of leading OEMs, such as Caterpillar, in these spaces to evaluate high pressure direct injection natural gas fuel system technologies for use in the areas highlighted above.

Continue to Develop Valuable Strategic and Business Alliances

We currently have strategic relationships with three of the world s top four engine producers, supply or have strategic relationships with six of the world s top ten truck producers as well as seven of the world s top ten automotive manufacturers. We also have a strategic relationship with North America s largest natural gas refueling company, Clean Energy Fuels Corp., as well as other natural gas producers around the world such as Shell and Encana. These relationships provide significant value in leveraging our partners global market access and distribution channels while creating barriers for competitors seeking to enter our markets. We continue to evaluate and seek strategic and business alliances with new and existing partners, including leading global companies that will help us to increase adoption of our natural gas engine technologies into new and existing markets.

Achieve Automotive-Scale Production by Adding New Partners

We plan to partner where possible with the largest tier-one automotive component suppliers, allowing us to benefit from economies of scale, pre-existing manufacturing capacity, proven production capability, and developed supply chains, thus driving down our cost structure and further enhancing product quality. To date, we have focused on developing a strong supply chain by partnering with leading suppliers to the medium- and heavy-duty truck industry. We cooperate on fuel delivery system development programs with a number of companies and are in discussions with a number of the world s leading suppliers to develop complete solutions for our customers.

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Focus on Geographic Expansion by Penetrating Key Markets in Asia, Europe and Australia

We intend to focus our market development efforts in rapidly expanding regions. China is one of the world s largest markets for all types of vehicles, and its heavy-duty truck (greater than 16 tonnes) market is already approximately as large as those in Europe and North America. China s vehicle production has more than doubled in the past five years, whereas production in Germany, Japan and the United States is nearly flat or declining over the same period.

China is focused on moderating the environmental impact of rapid urbanization and tremendous vehicle growth. The demand for cleaner fuel, such as natural gas, with economic advantages over traditional fuels is increasing, with an estimated 600,000 natural gas vehicles already in China and over 2,100 refuelling stations to support those vehicles. WWI has experienced significant growth in the China markets.

We also focus on promising markets in other parts of Asia, such as India. Westport LD, through Emer, has a joint venture Minda Emer Technologies Limited that supplies Suzuki Maruti, the market leader in passenger cars in India.

European regulators have implemented some of the most aggressive responses to air quality issues and climate change concerns and are concurrently promoting increased use of natural gas in vehicles. We believe the opportunities are strong in Europe s light-duty, automotive, transit, refuse, urban truck, and heavy-duty vehicle markets.

Another region where we believe market conditions are favourable for LNG trucks is Australia. In December 2008, we signed a collaborative agreement with PACCAR Australia to commercialize LNG Kenworth trucks for this market, and in early 2011, we established a head office in Melbourne to support sales, parts and service. A significant market driver in Australia is the availability of domestic natural gas and expanding LNG production that could provide strong financial incentives for heavy-duty trucking fleets, mines and other high fuel use applications to operate with our LNG system-equipped engines. The high fuel requirements needed for fleet transportation in Australia position natural gas trucks to take meaningful market share from their higher operating cost diesel counterparts. The high fuel use of these fleets often creates advantageous payback scenarios to purchasers when they convert their fleets to run on natural gas.

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Maintain Leadership as Alternative Fuel Technology Providers

Alternative fuel system technology is the foundation of our business and our ability to commercialize our products globally. We believe the combination of our considerable investment in research and development and team of world-class engineers is responsible for driving innovation in gaseous fuel systems and combustion engine technology since our founding in 1995. Leading global engine producers and OEMs utilize our differentiated intellectual property, thereby allowing us to commercialize our products worldwide.

We believe that our global patent portfolio has been pivotal to our market-leading position and that it continues to serve as a significant barrier to new entrants. In addition to protecting our competitive position in the market, our intellectual property also allows us to generate an additional revenue stream through licensing agreements. In order to support our business objectives, we expect our intellectual property portfolio to expand as we file new patent and trademark applications to capture value generated by new technological advances.

In order to maintain technology leadership in gaseous fuel utilization, we continue to explore product improvements and new product opportunities in each of the segments we serve. This is to ensure that our products maintain best in class status and that they evolve to meet market dynamics. Today, our products are built on an alternative fuel platform that leverages the abundant global supply of natural gas and LPG. Over the longer term, if alternative renewable energy sources such as RNG or manufactured fuels, including hydrogen, hydrogen-natural gas blends, and dimethyl ether, emerge as cost-competitive options, we expect that our gaseous-fuelled engine technologies, systems and experience will position us to exploit such new low-carbon fuels as they emerge.

Recent Developments

Set forth below are certain preliminary estimates of our results of operations for the three-months and year ended December 31, 2011. These estimates are subject to completion of our financial closing procedures. These estimates are not a comprehensive statement of our financial results for the three-months or year ended December 31, 2011, and our actual results may differ materially from these estimates as a result of the completion of our financial closing procedures, final adjustments and other developments arising between now and the time that our financial results for the three-months and year ended December 31, 2011 are finalized.

On February 19, 2012, we entered into an amended joint venture agreement (**JVA**) with Cummins containing new terms and conditions for the CWI joint venture. In connection with entering into the JVA the February 19, 2010 Westport-Cummins Technology Partnership Agreement between the parties was terminated. Please refer to our material change report dated February 21, 2012, which is available electronically at www.sedar.com and which is incorporated by reference into this Prospectus Supplement, for a summary of the material provisions of the JVA.

On February 21, 2012, we announced our revised revenue expectations for the calendar year ended December 31, 2011 with consolidated revenue expected to be between U.S.$260 million and U.S.$264 million. The increase from our previous revenue expectation of approximately U.S.$240 million to U.S.$250 million now represents more than 80% growth compared to our reported consolidated revenue of U.S.$144.4 million for the year ended December 31, 2010. For the twelve months ended December 31, 2011, we expect to report a net loss per share between U.S.$1.26 and U.S.$1.28. For the three months ended December 31, 2011, we expect to report consolidated revenue of U.S.$96 million to U.S.$100 million and a net loss per share between U.S.$0.30 and U.S.$0.32. For the calendar year ended December 31, 2012, we expect year over year revenue growth of approximately 50%, with consolidated revenue expected to be between U.S.$400 million and U.S.$425 million.

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THE OFFERING

Common Shares offered by us	5,000,000 Common Shares.
Over-allotment option	750,000 Common Shares.
Common Shares outstanding before this Offering	48,515,180 Common Shares.
Common Shares to be outstanding immediately after this Offering	53,515,180 Common Shares.
Use of proceeds	We expect to use the net proceeds from this Offering for geographic expansion and expansion of engine platforms with existing OEM partners and developing technology and relationships with new OEMs in light-duty industrial and automotive applications and heavy-duty industrial and automotive applications, to develop technology and relationships in high-horsepower applications and for general corporate purposes, including working capital requirements. You should read the discussion under the heading Use of Proceeds in this Prospectus Supplement for more information.
Risk Factors	You should carefully read and consider the information set forth in Risk Factors beginning on page S-15 of this Prospectus Supplement and page 9 of the accompanying Prospectus before investing in our Common Shares.
TSX symbol	WPT
NASDAQ symbol	WPRT

The number of Common Shares to be offered by us and the number of Common Shares to be outstanding are based on the approximate number of Common Shares outstanding as of February 17, 2012. Unless we specifically state otherwise, the information in this Prospectus Supplement:

- is based on the assumption that the Underwriters will not exercise the option to purchase additional Common Shares granted to them by us;
- excludes 1,048,751 Common Shares reserved for issuance upon the exercise of options outstanding as of February 17, 2012 at a weighted average exercise price of $26.93 per Common Share;
- excludes 378,642 Common Shares reserved for issuance upon the exercise of performance share units outstanding as of February 17, 2012; and
- excludes 1,029,765 Common Shares reserved for issuance upon the exercise of restricted share units outstanding as of February 17, 2012.

Summary Consolidated Financial Data

Except for Units shipped , the following selected consolidated financial data are derived from our audited consolidated annual balance sheets as of March 31, 2011 and 2010, our audited consolidated annual statements of operations and cash flows for the years ended March 31, 2011, 2010 and 2009, our unaudited consolidated interim balance sheet as of September 30, 2011

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and our unaudited interim consolidated statements of operations and cash flows for the six months ended September 30, 2011 and 2010, respectively, incorporated by reference in the Prospectus. Balance sheet items as of March 31, 2009 are derived from our audited consolidated balance sheets as of March 31, 2010. Balance sheet items as of September 30, 2010 are derived from our unaudited interim balance sheet as of September 30, 2010. In the opinion of management, our unaudited consolidated financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of our results of operations for such periods. Operating results for the six months ended September 30, 2011 are not necessarily indicative of the results that may be expected for the fiscal year ended December 31, 2011 or any other future period. This information is only a summary and should be read together with our consolidated financial statements and the related notes and other financial information, as well as the Annual MD&A and the Q2 MD&A incorporated by reference in the Prospectus.

Our audited consolidated annual financial statements as at March 31, 2011 and 2010 and for each of the years in the three-year period ended March 31, 2011 have been prepared in U.S. dollars in accordance with Canadian GAAP. As permitted by Canadian securities regulatory authorities, we adopted U.S. GAAP for financial reporting purposes effective April 1, 2011 and our unaudited consolidated interim financial statements for the six months ended September 30, 2011 have been prepared in U.S. dollars in accordance with U.S. GAAP. For ease of reference, all figures in the table of summary consolidated financial data below are stated in accordance with U.S. GAAP. Our historical results from any prior period are not necessarily indicative of results to be expected for any future period.

	Fiscal Year Ended March 31,			Six Months Ended September 30,	
	2011	**2010**	**2009**	**2011**	**2010**
	(expressed in thousands of U.S. dollars, except for units shipped, gross margin %, per share amounts and shares outstanding)				
	(audited)			*(unaudited)*	
Units shipped	3,656	3,921	4,038	2,783	1,845
Total revenue	$ 148,062	$ 121,653	$ 109,211	125,907	$ 70,395
Gross margin	57,080	38,674	27,874	41,008	26,575
Gross margin %	39%	32%	26%	33%	38%
Net loss attributable to the Corporation	(42,142)	(34,511)	(18,354)	(31,275)	(14,267)
Net loss per share basic and diluted[1]	(1.00)	(1.01)	(0.61)	(0.66)	(0.36)
Weighted average shares outstanding	42,305,889	34,133,247	30,268,947	47,693,533	39,486,072
Cash and short-term investments[4]	180,303	104,205	65,503	105,571	80,331
Total assets[4]	273,374	153,936	107,663	362,780	169,610
Long-term financial liabilities[2]	10,142	13,264	9,657	66,050	9,514
Cash used in operations before changes in non-cash working capital[3][4]	(24,470)	(22,994)	(22,392)	(18,565)	(6,877)
CWI income for the year after taxes	15,998	14,330	7,478	15,280	8,314
Joint venture partner s share of CWI income	7,999	7,165	3,739	7,640	4,157

Notes:

(1) Fully diluted loss per share is not materially different as the effect of exercise of stock options, warrants and performance share units would be anti-dilutive.

(2) Excluding warranty liability and long-term debt obligations, and joint venture partners share of net assets of joint ventures.

(3) See Non-GAAP Measures in the Annual MD&A for a reconciliation to cash flows from operations.

(4) Effective for the annual financial statements for the year ended March 31, 2011, we used the U.S. dollar as our reporting currency and the consolidated balance sheet as at March 31, 2011 and 2010 and the consolidated statements of operations, shareholders equity and cash flows for each of the years in the three-year period ended March 31, 2011 were recast to be presented in U.S. dollars. Consolidated balance sheet information as at March 31, 2009 has been translated at the daily noon exchange rates, as provided by the Bank of Canada as at March 31, 2009.

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RISK FACTORS

An investment in the Common Shares is speculative and involves a high degree of risk. In addition to the other information contained in this Prospectus Supplement, in the Prospectus and in the documents incorporated by reference into this Prospectus Supplement and the accompanying Prospectus, you should carefully consider the risk factors set forth below, as well as the risk factors referenced under the heading Risk Factors , which begins on page 9 of the accompanying Prospectus.

You will experience immediate and substantial dilution.

If you purchase our common shares in this offering, you will incur an immediate and substantial dilution in net tangible book value of U.S.$ per share, after giving effect to the sale by us of 5,000,000 Common Shares offered in this Offering, and after deducting underwriting discounts and commissions and estimated Offering expenses payable by us. In addition, if the Underwriters exercise their over-allotment option, you will incur additional dilution.

We have broad discretion in how we use the net proceeds of this Offering, and we may not use these proceeds in a manner desired by our shareholders.

Our management will have broad discretion with respect to the use of the net proceeds from this Offering and investors will be relying on the judgment of our management regarding the use of these proceeds. Our management could spend the net proceeds from this Offering in ways that our shareholders may not desire or that do not yield a favorable return. You will not have the opportunity, as part of your investment in our Common Shares, to influence the manner in which the net proceeds of this Offering are used. As of the date of this Prospectus Supplement, we plan to use the net proceeds from this Offering for geographic expansion and expansion of engine platforms with existing OEM partners and developing technology and relationships with new OEMs in light-duty industrial and automotive applications and heavy-duty industrial and automotive applications, to develop technology and relationships in high-horsepower applications and for general corporate purposes, including working capital requirements. The amounts actually spent by us for any specific purpose may vary significantly and will depend on a number of factors, including the performance of our existing joint ventures, the pace of development of markets for our products, our ability to negotiate supply arrangements, our engineering abilities, the emergence of technical issues in relation to our products in the future and any other unforeseen developments in relation to our markets or to our products. In addition, our future financial performance may differ from our current expectations or our business needs may change as our business and the industry we address evolve. As a result, the net proceeds we receive in this Offering may be used in a manner significantly different from our current expectations.

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USE OF PROCEEDS

The net proceeds to us from the sale of our Common Shares in this Offering will be approximately U.S.$ million, or approximately U.S.$ million if the Underwriters option to purchase additional Common Shares is exercised in full, after deducting estimated underwriting discounts and commissions and estimated expenses of the Offering. The net proceeds of the Offering will be used by us to further our business objectives of developing technology and relationships in new and adjacent market opportunities with OEMs focused on light-duty industrial and automotive and heavy-duty and high-horsepower applications and capital expenditures including new facilities. We expect to use the net proceeds from this Offering approximately as follows:

- U.S.$50 million to U.S.$100 million for developing technology and relationships in new and adjacent market opportunities in high-horsepower applications;
- U.S.$30 million to U.S.$50 million for capital expenditures including new facilities, engine development and testing equipment, and other equipment to support our business growth;
- U.S.$20 million to U.S.$40 million for geographic expansion and expansion of engine platforms with existing OEM partners and developing technology and relationships with new OEMs in heavy-duty industrial and automotive applications;
- U.S.$20 million to U.S.$40 million for geographic expansion and expansion of engine platforms with existing OEM partners and developing technology and relationships with new OEMs in light-duty industrial and automotive applications; and
- Any remaining net proceeds for general corporate purposes, including working capital requirements, infrastructure development, market creation activities, potential acquisitions of businesses, technologies or other assets, debt repayments, general and administrative expenses, and supply chain development.

We will have significant discretion in the use of any net proceeds. We may invest the net proceeds temporarily until we use them for their stated purpose. The ultimate use of the proceeds of this Offering will depend on the performance of our existing joint ventures, the pace of development of markets for our products, our ability to negotiate supply arrangements, our engineering abilities, the emergence of technical issues in relation to our products in the future and any other unforeseen developments in relation to our markets or to our products. We have incurred substantial losses since our inception in 1995 and continue to incur losses and experience negative cash flows. We cannot predict the future amount of such negative operating cash flows, nor can we predict whether we will be able to generate positive operating cash flows in the future. We may, therefore, use all or a portion of the net proceeds of this Offering to fund negative operating cash flows to the extent we are required or believe it is in our interest to do so. See Risk Factors Risks Related to Our Business We have incurred and continue to incur losses in the accompanying Prospectus.

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PRIOR SALES

The following description of securities issuances, together with the information contained under the heading Prior Sales in the Prospectus, contains information with respect to all issuances of our securities during the twelve month period prior to the date of this Prospectus Supplement.

We have issued the following Common Shares during the periods indicated:

Date		Price per Common Share[1] [2] (CDN$)		Number of Common Shares[3]
January 1, 2012	January 31, 2012	4.24	16.50	37,649[4]
February 1, 2012	February 17, 2012		Nil	Nil

Notes:

(1) Represents a price range indicating the lowest and highest prices at which Common Shares were issued during the relevant period.
(2) Common Shares issued upon exercise of performance share units have no exercise price. The price per Common Share set forth in the above table is the fair value per Common Share as of the grant date.
(3) Unless otherwise noted, all Common Shares were issued upon exercise of stock options granted under the Westport Stock Option Plan (as defined in the Management Proxy Circular) or upon exercise of warrants.
(4) Includes 1,141 Common Shares issued upon exercise of units granted under the Westport performance share unit plan, as amended.

We have, during the periods indicated, granted the following options, performance share units and restricted share units pursuant to the Westport Omnibus Plan:

Option-based Awards			Share-based Awards		
Date	Number of securities underlying granted options (#)	Option exercise price ($)	Date	Number of units granted (#)	Per Share market value of shares underlying units at time of unit issuance ($)
January 6, 2012	759,477	33.83	January 6, 2012	112,051[1]	33.83
			January 6, 2012	66,428[2]	40.32

Notes:

(1) Represents a grant of restricted share units pursuant to the Westport Omnibus Plan.
(2) Represents a grant of performance share units pursuant to the Westport Omnibus Plan.

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MARKET FOR SECURITIES

Our outstanding Common Shares are listed and posted for trading on the TSX under the trading symbol WPT and on NASDAQ under the trading symbol WPRT . The following table sets forth the market price ranges, the closing price on the last day of trading and the aggregate volume of trading of the Common Shares on the TSX and NASDAQ for the periods indicated.

	Toronto Stock Exchange				NASDAQ Global Market			
	High ($)	Low ($)	Close ($)	Volume (Shares)	High (U.S.$)	Low (U.S.$)	Close (U.S.$)	Volume (Shares)
Period								
2012								
January	42.12	32.56	41.64	2,054,660	42.15	31.91	41.60	24,002,535
February (1 17)	45.58	37.95	44.66	2,166,983	45.85	38.05	44.90	23,765,753

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CONSOLIDATED CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents and capitalization as of September 30, 2011 on an actual basis and on an as adjusted basis to give effect to the sale of our Common Shares in this Offering (assuming no exercise by the Underwriters of their option to purchase additional Common Shares) and the receipt of the net proceeds therefrom at a public offering price of U.S.$ per Common Share. This table should be read in conjunction with Selected Consolidated Financial Data included elsewhere in this Prospectus Supplement and the Q2 MD&A and our consolidated financial statements and the related notes incorporated by reference into the Prospectus.

	As of September 30, 2011	
	Actual	As Adjusted[2]
	(dollars in thousands)	
Cash, cash equivalents and short-term investments	$ 105,571	$
Debt:		
Notes payable		
9% unsecured subordinated debentures[1]	$ 34,345	$