No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

*This prospectus supplement (the "**Prospectus Supplement**"), together with the accompanying short form base shelf prospectus dated August 6, 2015 to which it relates, as amended or supplemented (the "**Prospectus**"), and each document incorporated by reference into the Prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted. See "**Plan of Distribution**".*

Information has been incorporated by reference in the Prospectus from documents filed with securities commissions or similar authorities in Canada and the United States Securities and Exchange Commission ("SEC"). *Copies of the documents incorporated by reference into the Prospectus may be obtained on request without charge from the Manager, Investor Relations of Westport Fuel Systems Inc. at 101 – 1750 West 75th Avenue, Vancouver, British Columbia V6P 6G2, telephone (604) 718-2046 and are also available electronically at www.sedar.com and www.sec.gov. See "Documents Incorporated by Reference" in this Prospectus Supplement.*

PROSPECTUS SUPPLEMENT
TO THE SHORT FORM BASE SHELF PROSPECTUS DATED AUGUST 6, 2015

New Issue July 14, 2017

WESTPORT FUEL SYSTEMS INC.

U.S.$25,050,000

16,700,000 Common Shares

This offering (the "**Offering**") of common shares (the "**Common Shares**") of Westport Fuel Systems Inc. ("**Westport Fuel Systems**") consists of 16,700,000 Common Shares (the "**Offered Shares**") at a price of U.S.$1.50 per Offered Share (the "**Offering Price**"). The Offering is being made in the United States under the terms of a registration statement on Form F-10, as amended, filed with the SEC of which this Prospectus Supplement and the Prospectus form a part.

The Common Shares are listed for trading on the Toronto Stock Exchange (the "**TSX**") under the trading symbol "WPRT", and on the NASDAQ Global Select Market ("**NASDAQ**") under the symbol "WPRT". On July 13, 2017, the last completed trading day before the announcement of the Offering, the closing price of the Common Shares on the TSX and NASDAQ was Cdn.$2.45 and U.S.$1.94, respectively. Westport Fuel Systems has applied to the TSX and NASDAQ for the listing of the Offered Shares (including any Common Shares issuable upon exercise of the Over-Allotment Option (as defined below)). Listing of the Offered Shares will be subject to the Corporation's fulfillment of all of the listing requirements of the TSX and NASDAQ. There can be no assurance that the Offered Shares will be accepted for listing on the TSX or NASDAQ.

The Offered Shares are being offered in the United States by Oppenheimer & Co. (the "**Lead Underwriter**") and Craig-Hallum Capital Group LLC (together with the Lead Underwriter, the "**Underwriters**"). Lake Street Capital Markets served as an additional financial advisor to the Corporation. The terms of the Offering, including the Offering Price, were determined by negotiation between Westport Fuel Systems and the Underwriters. No Canadian underwriters have been involved in the presentation of, or has performed a review of, the contents of this Prospectus Supplement or the Prospectus and no Offered Shares will be sold or offered in Canada or to any resident of Canada.

PRICE: U.S.$1.50 PER OFFERED SHARE

	Price to the Public (1)	Underwriters' Fee(1)(2)	Net Proceeds to Westport Fuel Systems (1)(2)(3)(4)
Per Offered Share	U.S.$1.50	U.S.$0.09	U.S.$1.41
Total	U.S.$25,050,000	U.S.$1,503,000	U.S.$23,547,000

Notes:

(1) The Offering Price will be payable in U.S. dollars unless the Underwriters otherwise agree. All of the proceeds of the Offering will be paid to Westport Fuel Systems by the Underwriters in U.S. dollars based on the U.S. dollar Offering Price.

(2) The Underwriters will receive a fee equal to U.S.$0.09 per Offered Share from the sale of Offered Shares to the public. See "Plan of Distribution".

(3) Before deducting the expenses of the Offering estimated at U.S.$500,000, which will be paid from the gross proceeds of the Offering. See "Plan of Distribution".

(4) Westport Fuel Systems has granted the Underwriters an option (the "**Over-Allotment option**"), exercisable in whole or in part at any time from time to time prior to 5:00 p.m. (New York City time) on the 30th day following the Closing Date (as defined below), to purchase up to an additional 2,505,000 Common Shares at the Offering Price, solely to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, then using the same assumptions and information set forth in notes 1,2 and 3, the total

"Price to the Public", "Underwriters' Fee" and "Net Proceeds to Westport Fuel Systems" (before deducting expenses of the Offering) will be U.S.$28,807,500, U.S.$1,728,450 and U.S.$27,079,050, respectively. This Prospectus Supplement qualifies the distribution of the Over-Allotment Option and the Common Shares issuable upon the exercise of the Over-Allotment Option. A purchaser who acquires Common Shares forming part of the Underwriters' over-allocation position acquires those Common Shares under this Prospectus Supplement, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or through secondary market purchases. See "Plan of Distribution". Where applicable, references to the terms "Offering" and "Offered Shares" include the Common Shares issuable upon exercise of the Over-Allotment Option.

It is currently anticipated that the closing date of the Offering (the "**Closing Date**") will be on or about July 19, 2017, or such later date as may be agreed to by Westport Fuel Systems and the Underwriters but, in any event, not later than July 28, 2017. See "Plan of Distribution".

Executive officers and directors of the Corporation intend to purchase Common Shares for aggregate gross proceeds of up to U.S.$490,000 pursuant to the Offering or any concurrent private placement, subject to receipt of any applicable regulatory approvals and in accordance with applicable laws.

Subscriptions will be received subject to rejection or allotment in whole or in part, and the Underwriters reserve the right to close the subscription books at any time without notice. Book entry only certificates representing the Offered Shares will be issued in registered form to CDS Clearing and Depositary Services Inc. ("**CDS**") or its nominee and will be deposited with CDS on the Closing Date. A purchaser will receive only a customer confirmation from a registered dealer that is a CDS participant and from or through which the Offered Shares are purchased. See "Plan of Distribution".

Subject to applicable laws, the Underwriters may, in connection with this Offering, over-allot or effect transactions that stabilize or maintain the market price of the Offered Shares at levels other than those which might otherwise prevail on the open market. The Underwriters propose to offer the Offered Shares initially at the Offering Price. After a reasonable effort has been made to sell all of the Offered Shares at the price specified, the Underwriters may decrease the selling price to investors from time to time in order to sell any of the Offered Shares remaining unsold. Any such reduction will not affect the proceeds that the Corporation receives. **See "Plan of Distribution".**

The following table sets forth the maximum number of Offered Shares that the Corporation may issue pursuant to the Over-Allotment Option.

Underwriters' Position	Maximum Size	Exercise Period	Exercise Price
Over-Allotment Option	2,505,000 Common Shares	30 days after the Closing Date	U.S.$1.50

Westport Fuel Systems is permitted, as a Canadian issuer, under the multi-jurisdictional disclosure system adopted by the United States and Canada ("MJDS"), to prepare this Prospectus Supplement and the Prospectus in accordance with Canadian disclosure requirements. Investors should be aware that such requirements are different from those of the United States. Westport Fuel Systems has prepared its annual financial statements as at December 31, 2016 and 2015 and for each of the years in the three year period ended December 31, 2016 and its interim financial statements as at March 31, 2017 and for the three month periods ended March 31, 2017 and 2016 in accordance with United States generally accepted accounting principles ("U.S. GAAP").

An investment in the Offered Shares is speculative and involves a high degree of risk. Prospective investors should carefully review the risk factors referred to under "Risk Factors" beginning on page S-15 in this Prospectus Supplement and in the accompanying Prospectus, beginning on page 7 and in the documents incorporated by reference herein and therein, before purchasing the Offered Shares.

Prospective investors should be aware that the acquisition of the Offered Shares may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in, or citizens of, the United States may not be fully described herein. Prospective investors should consult their own tax advisors prior to deciding to purchase any of the Offered Shares. See "Certain Income Tax Considerations" in this Prospectus Supplement.

The enforcement by investors of civil liabilities under United States federal securities laws may be affected adversely by the fact that Westport Fuel Systems is incorporated or organized under the laws of Alberta, Canada, that some or all of the Corporation's officers and directors are residents of Canada, that some or all of the experts named in this Prospectus Supplement are residents of Canada, and that all or a substantial portion of Westport Fuel Systems' assets and the assets of such persons are located outside the United States.

The directors and officers of Westport Fuel Systems listed in the table below reside outside of Canada. Each of the persons named below has appointed the following agent for service of process:

Name of Person or Company	Name and Address of Agent
Ashoka Achuthan	**Bennett Jones LLP, 4500 Bankers Hall East 855 – 2nd Street S.W., Calgary, Alberta, Canada T2P 4K7**
Anthony Harris	**Bennett Jones LLP, 4500 Bankers Hall East 855 – 2nd Street S.W., Calgary, Alberta, Canada T2P 4K7**
Colin S. Johnston	**Bennett Jones LLP, 4500 Bankers Hall East 855 – 2nd Street S.W., Calgary, Alberta, Canada T2P 4K7**
Peter Yu	**Bennett Jones LLP, 4500 Bankers Hall East 855 – 2nd Street S.W., Calgary, Alberta, Canada T2P 4K7**
Scott Mackie	**Bennett Jones LLP, 4500 Bankers Hall East 855 – 2nd Street S.W., Calgary, Alberta, Canada T2P 4K7**
Dan Hancock	**Bennett Jones LLP, 4500 Bankers Hall East 855 – 2nd Street S.W., Calgary, Alberta, Canada T2P 4K7**
Nancy S. Gougarty(1)	**Bennett Jones LLP, 4500 Bankers Hall East 855 – 2nd Street S.W., Calgary, Alberta, Canada T2P 4K7**

Note:

(1) Ms. Gougarty has permanent resident status in Canada but may be considered to reside outside of Canada.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY UNITED STATES STATE SECURITIES COMMISSION NOR HAS THE SEC OR ANY UNITED STATES STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Readers should rely only on the information contained in, or incorporated by reference into, this Prospectus Supplement and the Prospectus. Westport Fuel Systems has not authorized anyone to provide investors with information different from that contained in this Prospectus Supplement and the Prospectus.

The Corporation's head office is located at 101 – 1750 West 75th Avenue, Vancouver, British Columbia V6P 6G2 and its registered office is located at 4500, 855 – 2nd Street S.W., Calgary, Alberta T2P 4K7.

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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 the Offered Shares 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 Offered Shares offered hereunder. This Prospectus Supplement is deemed to be incorporated into the accompanying Prospectus solely for the purpose of the Offering.

Investors should rely only on the information contained in, or incorporated by reference into, this Prospectus Supplement and the Prospectus. Westport Fuel Systems has not authorized any other person to provide readers with additional or different information. If anyone provides you with different or inconsistent information, you should not rely on it. Westport Fuel Systems 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 Westport Fuel Systems has 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. Westport Fuel Systems' business, financial condition, results of operations and prospects may have changed since those dates.

DEFINITIONS

In this Prospectus Supplement and the Prospectus, unless otherwise indicated, references to "**Westport Fuel Systems**" or the "**Corporation**" are to Westport Fuel Systems Inc., its subsidiaries and its joint ventures, collectively, unless the context otherwise requires. All references to "**dollars**", "**Cdn.$"** or "**$**" are to Canadian dollars and all references to "**U.S.$**" are to United States dollars.

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 Westport Fuel Systems or the Corporation's management, are intended to identify forward-looking statements. In particular, this Prospectus Supplement and the Prospectus contain forward-looking statements including, but not limited to: the issuance of the Offered Shares, the terms of the Underwriting Agreement, the expected closing date of the Offering, the expected use of proceeds therefrom and the future treatment of Debentures (as defined herein); Westport Fuel Systems' ability to generate adjusted EBITDA in future periods, future research and development programs and expenditures and the funding thereof, future revenues and margins, efforts to be taken and the results of such efforts relating to improvements in operating efficiency, timing for commercialization of HPDI 2.0 technology and any new programs related thereto, Westport Fuel Systems' future liquidity and cash position and the outcome of any regulatory or *Foreign Corrupt Practices Act* review.

In addition, readers should also refer to the Prospectus under the heading "Special Notice Regarding Forward-Looking Statements", the AIF (as defined below) under the heading "Forward-Looking Information", and the Annual MD&A (as defined below) and Q1 MD&A (as defined below) under the heading "Forward-Looking Statements", each of which are incorporated by reference into the Prospectus, for a list of some additional forward-looking statements made by the Corporation in this Prospectus Supplement, the Prospectus and the documents incorporated by reference into the Prospectus.

Such statements reflect Westport Fuel Systems' 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, those risks discussed in this Prospectus Supplement, the accompanying Prospectus under the heading "Risk Factors" and in the documents incorporated by reference herein

and therein. Such risks and the assumptions upon which such forward-looking statements are based include, without limitation, risks and assumptions in respect of market acceptance of Westport Fuel Systems' products, product development delays, delays in contractual commitments, changing environmental regulations, the ability to attract and retain business partners, the success of Westport Fuel Systems' business partners and the original equipment manufacturers with whom Westport Fuel Systems has partnered, future levels of government funding and incentives, competition from incumbent or new technologies, price differentials between natural gas relative to petroleum-based fuels, limitations on the Corporation's ability to protect its intellectual property and claims and disputes in respect thereof, Westport Fuel Systems' ability to integrate acquired businesses, natural gas refueling infrastructure limitations, capital requirements, and 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. Westport Fuel Systems undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, after it distributes 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 the SEC. Copies of the documents incorporated by reference may be obtained on request without charge from the Corporation's Manager, Investor Relations at 101-1750 West 75th Avenue, Vancouver, British Columbia, V6P 6G2, telephone (604) 718-2046. Copies of documents incorporated by reference may also be obtained by accessing the web site located at www.sedar.com or www.sec.gov.

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

- the Corporation's annual information form dated March 31, 2017 for the year ended December 31, 2016 (the "**AIF**");

- the Corporation's audited consolidated financial statements as at December 31, 2016 and December 31, 2015 and for the years ended December 31, 2016, December 31, 2015 and December 31, 2014, together with the notes thereto, and the auditors' reports thereon (the "**Annual Financial Statements**");

- the Corporation's management's discussion and analysis of financial condition and results of operations dated March 31, 2017, for the fiscal year ended December 31, 2016 (the "**Annual MD&A**");

- the Corporation's interim consolidated financial statements as at March 31, 2017 and for the three month periods ended March 31, 2017 and 2016 (the "**Q1 Financial Statements**");

- the Corporation's interim management's discussion and analysis of financial condition and results of operations, dated May 11, 2017, for the three month period ended March 31, 2017 (the "**Q1 MD&A**");

- the Corporation's management proxy circular dated May 8, 2017 relating to the annual general meeting of shareholders held on June 28, 2017;

- the Corporation's management information circular and proxy statement dated February 12, 2016 relating to the special meeting of shareholders held on March 18, 2016 in respect of the merger (the "**Merger**") with Fuel Systems Solutions, Inc., as supplemented by the supplement to the management information circular and proxy statement dated March 7, 2016;

- the Corporation's amended and restated business acquisition report dated July 13, 2017, which amends the business acquisition report dated August 12, 2016 with respect to the Merger;

- the Corporation's material change report dated May 8, 2017 relating to the closing of the sale of its assets used in the business of developing, manufacturing and selling of diesel and electronic auxiliary power units for truck and rail applications; and

- the "template version" (as defined in applicable Canadian securities laws) of the investor presentation for the Offering dated July 10-13, 2017 (the "**Investor Presentation**").

Any document of the type described in Section 11.1 of Form 44-101F1 – *Short Form Prospectus Distributions* filed by the Corporation with a securities commission or similar authority in any province of Canada subsequent to the date of this Prospectus Supplement and before withdrawal or completion of the distribution of the Offered Shares will be deemed to be incorporated by reference.

In addition, to the extent that any document or information incorporated by reference into this Prospectus Supplement is filed with, or furnished to, the SEC pursuant to the *United States Securities Exchange Act of 1934*, as amended (the "**U.S. Exchange Act**"), after the date of this Prospectus Supplement, such document or information will be deemed to be incorporated by reference as an exhibit to the registration statement of which this Prospectus Supplement forms a part (in the case of a report on Form 6-K, if and to the extent expressly provided therein).

To the extent that any document or information incorporated by reference into this Prospectus Supplement or the Prospectus is included in a report that is filed with the SEC on Form 40-F or Form 6-K (or any respective successor form), such document or information shall also be deemed to be incorporated by reference into this Prospectus Supplement and the Prospectus. In addition, the Corporation has and will incorporate by reference into this Prospectus Supplement and the Prospectus from documents that it files with the SEC pursuant to Section 13(a) or 15(d) of the U.S. Exchange Act subsequent to the date of this Prospectus Supplement and before withdrawal or completion of the distribution of the Offered Shares. Westport Fuel Systems' U.S. filings are electronically available from the SEC's Electronic Document Gathering and Retrieval System, which may be accessed at www.sec.gov.

Any statement contained in this Prospectus Supplement, the Prospectus or in a document incorporated or deemed to be incorporated by reference into the Prospectus will be deemed to be modified or superseded for purposes of this Prospectus Supplement to the extent that a statement contained in this Prospectus Supplement or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference into the Prospectus modifies or supersedes that 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 shall not 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 part of this Prospectus Supplement.

MARKETING MATERIALS

The template version of the Investor Presentation does not form part of this prospectus supplement to the extent that the contents thereof have been modified or superseded by a statement contained in this prospectus supplement.

In addition, any "template version" of any other "marketing materials" (as such terms are defined in applicable Canadian securities laws) filed with the securities commissions or similar authorities in each of the provinces and territories of Canada in connection with the Offering after the date hereof but prior to the termination of the distribution of the Offered Shares under this prospectus supplement is deemed to be incorporated by reference herein.

EXCHANGE RATE INFORMATION

The following table sets out, for each period indicated, the high and low rates of exchange of Canadian dollars into U.S. dollars, the average of the exchange rates during each such period and the end-of-period rate, based on the U.S.-Canada dollar noon exchange rates published by the Bank of Canada for 2016 and 2015. The rates presented for the three months ended March 31, 2017 are based on the U.S.-Canada dollar daily average exchange rates published by the Bank of Canada. Such rate on July 13, 2017 was Cdn.$0.7847 equals U.S.$1.00.

	Three Months Ended March 31, 2017	**2016**	**2015**
Highest rate during the period	0.7400	0.6854	0.7148
Lowest rate during the period	0.7683	0.7972	0.8527
Average rate for the period	0.7555	0.7548	0.7820
Rate at the end of the period	0.7513	0.7448	0.7225

NON-GAAP MEASURES

The SEC and the Canadian securities regulators have rules that regulate the use of "non-GAAP financial measures" that are derived on the basis of methodologies other than in accordance with U.S. generally accepted accounting principles ("**GAAP**"). This Prospectus Supplement, the accompanying Prospectus and the documents incorporated by reference herein contain cash used in operations before changes in non-cash working EBITDA and adjusted EBITDA, which are non-GAAP financial measures.

These non-GAAP financial measures are provided because management of the Corporation believes these non-GAAP financial measures provide useful information about Westport Fuel Systems' operating performance. Westport Fuel Systems also believes that these non-GAAP financial measures provide investors with a useful tool for assessing the comparability of the Corporation's financial results between periods. Although management uses these non-GAAP financial measures as key metrics in the evaluation of the Corporation's performance and its consolidated financial results, these non-GAAP financial measures should be considered in addition to, not a substitute for, measures of financial performance prepared in accordance with GAAP.

For reconciliation of these non-GAAP financial measures to the most comparable applicable GAAP financial measures, see "Non-GAAP Measures" in the Annual MD&A and Q1 MD&A.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The acquisition of Fuel Systems Solutions, Inc. ("**Fuel Systems**"), which was consummated on June 1, 2016, was a significant acquisition to Westport Fuel Systems under Rule 3-05 and 1-02(w) of Regulation S-X under the Securities Act. As a result, we have incorporated by reference in this Prospectus Supplement and the accompanying Prospectus the historical financial statements of Fuel Systems and unaudited pro forma financial information based on the historical financial statements of Westport Innovations Inc. and Fuel Systems, combined and adjusted to give effect to the Fuel Systems acquisition.

The unaudited pro forma combined consolidated financial information incorporated by reference in this Prospectus Supplement and the accompanying Prospectus is for informational purposes only and is not intended to represent or to be indicative of the consolidated results of operations or financial position that we would have reported had the Fuel Systems acquisition been completed as of the dates set forth in the unaudited pro forma combined consolidated financial information, and should not be taken as indicative of our future consolidated results of operations or financial position. The unaudited pro forma financial data has been prepared in accordance with the requirements of Article 11 of Regulation S-X of the Securities Act. However, neither the assumptions underlying the pro forma adjustments nor the resulting pro forma financial information have been audited or reviewed in accordance with any generally accepted auditing standards.

The unaudited pro forma combined consolidated financial information should be read in conjunction with the historical financial statements of Westport Fuel Systems and Fuel Systems, all incorporated by reference in this Prospectus Supplement and the accompanying Prospectus.

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 the Common Shares. You should review this entire Prospectus Supplement and the accompanying Prospectus carefully, including the risks of investing in the Common Shares discussed in the "Risk Factors" section of this Prospectus Supplement and the accompanying Prospectus and the consolidated financial statements and notes thereto and the other documents incorporated by reference into this Prospectus Supplement and the accompanying Prospectus.

WESTPORT FUEL SYSTEMS INC.

Overview

Westport Fuel Systems is a premier global company for the engineering, manufacturing, and supply of alternative fuel systems and components.

Fuel Systems and Westport Innovations Inc., two companies with a strong foundation of innovation and technology leadership in the alternative fuels space, were both key players in the development of the global market for gaseous fueled engines and vehicles for transportation applications. The merger of these two leaders in June 2016 created Westport Fuel Systems Inc.

Westport Fuel Systems believes gaseous fuels such as natural gas, propane, renewable natural gas, and hydrogen provide the best near-term alternative to petroleum-derived fuels in many applications, offering compelling environmental, economic, and energy security benefits.

Westport Fuel Systems' corporate vision "Driving Innovation to Power a Cleaner Tomorrow" encompasses its mandate to deliver best-in-class alternative fuel engines, fuel systems, and components. Global trends in greenhouse gas ("**GHG**") emission reduction regulations and increasingly stringent urban air quality requirements further solidify the Corporation's strategy to develop technology solutions and commercialize products that original equipment manufacturers ("**OEMs**") will need to meet demanding regulatory frameworks. With a broad range of alternative fuel capabilities in LPG, CNG, LNG, RNG, and hydrogen and Westport Fuel Systems' innovative proprietary technologies, Westport Fuel Systems is well positioned in key on-road and high horsepower market segments.

Westport Fuel Systems' automotive businesses are the solid foundation of its market leadership position and source of competitive advantage. Westport Fuel Systems has been able to realize synergies through a post-Merger strategic assessment of its entire portfolio with emphasis on streamlining its operating lines as well as its product and brand portfolios. The outcome of this work has been a more focused portfolio with capital and resources targeted to the businesses that will drive long-term profitability.

In the automotive segment, Westport Fuel Systems is leveraging its increased scale, customer base, and global sales and distribution networks to continue growing market share.

In addition to the Corporation's significant operational competency in well-established automotive markets, its investment in new technologies is expected to drive future growth. Westport Fuel Systems has a track record of innovation, specialized engineering capabilities, and a deep patent portfolio resulting in a strong intellectual property position. Westport Fuel Systems is on track to ship the first commercial Westport Fuel Systems High Pressure Direct Injection 2.0 ("**Westport™ HPDI 2.0**") components to the Corporation's European OEM launch partner in 2017. Westport Fuel Systems' fully integrated Westport™ HPDI 2.0 system matches the "diesel-like" power, torque, and fuel economy benefits of a true compression ignition engine powered by natural gas, with reduced GHG emissions, and the capability to run entirely on renewable fuels.

Westport Fuel Systems has a compelling value proposition. The Corporation offers technology solutions for global environmental challenges, it occupies a premier technology leadership position, and it has a range of brands and products for diverse applications and markets. The Corporation's team has the specialized technical knowledge and engineering talent that can conceive, prototype, demonstrate, and commercialize the next generation of gaseous fueled technologies with its OEM partners. Westport Fuel Systems' operationally focused leadership team has deep expertise in successful organizational restructuring, customer satisfaction, and financial discipline. Westport Fuel Systems is building a sustainable, profitable company that delivers value to customers, shareholders, employees, and the environment.

Westport Fuel Systems Brands

Alternative Fuel Capabilities

Westport Fuel Systems' Breadth of Reach

Westport Fuel Systems' breadth of reach spans from passenger vehicles to heavy-duty trucks to locomotives and marine applications to refueling, and the Corporation's ability to develop and utilize its intellectual property portfolio. Through the Westport Fuel Systems family of brands and an extensive distribution network, the Corporation serves customers in more than 70 countries, including the world's largest and fastest growing markets and are well positioned to lead industry transformation.

Operating Business Groups

Westport Fuel Systems operates its business through the following segments: Automotive, Corporate and Technology Investments and Cummins Westport Joint Venture.

Automotive

The Westport Fuel Systems Automotive division designs, manufactures, tests, certifies and sells CNG and LPG components and systems for passenger cars and light-duty trucks and medium-duty vehicles, including OEM,

delayed OEM ("**DOEM**") and independent aftermarket applications. Westport Fuel Systems' capabilities include the research and development of complete, in-house solutions for entire CNG and LPG fuel systems including engine management, applications, and certification. Westport Fuel Systems' team has the specialized technical knowledge and engineering talent that can conceive, prototype, demonstrate, and commercialize next generation gaseous fueled automotive OEM and aftermarket technologies. The portfolio of products includes pressure regulators, injectors, electronic control units, valves and filters, in addition to complete bi-fuel, mono-fuel and dual-fuel LPG and CNG conversion kits.

The Automotive division also designs, manufactures, and sells a wide range of CNG Compressors and refueling systems, from BRC FuelMaker home appliance for individuals or small fleets, to complete refueling stations branded CUBOGAS.

Westport Fuel Systems serves more than 70 countries with a strong customer base in Europe, the Americas, Asia, and a growing presence in Africa. Products are either sold directly to the OEM or through a local distributor or directly to workshops. Westport Fuel Systems supplies a large number of global OEMs including Volkswagen, Tata Motors, GAZ Group, FCA, General Motors, Ford, Maruti Suzuki, Honda, Volvo Car, Hyundai, and Kia as well as Independent Aftermarket distributors and workshops.

Products

Fueling Systems and Components

Westport Fuel Systems engineers, designs, and builds LPG and CNG components and systems including pressure regulators, injectors, electronic control units, valves, filters and complete bi-fuel, mono-fuel and dual-fuel LPG and CNG conversion kits are sold under the following established product brands: BRC Gas Equipment, Emer, OMVL, Valtek, Prins, Zavoli, GFI and TA Gas Technology. In addition, the Electronics Division provides EMS electronic boards and complete EMS solutions to not only Westport Fuel Systems companies, but also external clients in the automotive, marine, and other sectors.

Fuel system components include vaporizers, CNG and LPG tank valves designed to provide multiple layers of safety, fill nozzles, gaseous fuel lines, manual and electrically operated shut-off valves, single and double-stage pressure regulators, fuel gauges, high and low pressure fuel filters, integrated fuel rails and injectors, and customized electronic control units.

The Sequent Plug & Drive system is one of the most successful LPG injection systems produced by BRC and sold to several other DOEM and OEM customers worldwide. This system has been chosen and validated by car makers such as Kia, Hyundai, Nissan, Subaru, Mitsubishi, Ford and is currently installed in the Corporation's Cherasco, Italy DOEM facility. BRC also provides this solution for Ford Europe and Honda Turkey. The Honda Civic ECO is fully integrated inside the Honda Turkey factory, using BRC Gas Equipment's Sequent Plug & Drive LPG system, a gaseous, fully sequential, port injection system.

YaMZ, the powertrain division of the GAZ group in Russia, is a leading manufacturer of diesel and CNG engines, powering Liaz, Paz, Ural and Gaz vehicles. The CNG 530 engine family comprises two engines, a 4 cylinder, 4.4 liter and a 6 cylinder, 6.6 litre. Both engines are equipped with Westport Fuel Systems' engine management, complete fuel systems and off engine high pressure components. Today there are hundreds of trucks and buses in operation across the Russian Federation. They range from the Gazon Next truck, a small 2 wheel drive truck, to the Ural Next, 6 wheel drive on/off road vehicle, the PAZ Next bus, and the Liaz 5292 bus.

DOEM Vehicle Solutions

The Corporation provides DOEM vehicle solutions in full cooperation with major global OEMs as a key partner in their supply chain and production process, covering all process phases from development to prototype, installation, calibration, and validation.

As a leading developer and installer in Ford's QVM North American program, Westport Fuel Systems has the largest line-up of Ford alternative fueled vehicles. Sold under the Westport WiNG™ Power System product brand, the bi-fuel and dedicated CNG and LPG systems are developed and engineered at the Corporation's Dallas, Texas production facility, which includes the Ford Transit Van, F-150/ F-250/F-350/ F-450 to F-550 chassis cab and the E-450 Collins Type A Bus. The WiNG System undergoes the same rigorous testing for safety and durability required for all Ford OEM products.

Westport Fuel Systems also provides turn-key solutions in the Italian DOEM conversion plant to several major global OEMs such as Hyundai, Kia, Subaru, Mitsubishi, Nissan and Piaggio for the European market. The DOEM activities include the development and validation of the specific vehicle applications, the homologation and certification the installation and the logistics for the delivery of the vehicle to the dealer network. The current product portfolio includes the Sequent Plug and Drive system, an LPG or CNG solution for PFI (Port Fuel Injection) engines, and our SDI (Sequent Direct Injection) system, an LPG architecture for Direct Injection engines.

Corporate and Technology Investments

The Corporate and Technology Investments segment is responsible for current and advanced R&D programs, corporate oversight, and general administrative duties. Examples of Westport Fuel Systems' leading technologies include fully integrated combustion solutions, fuel injectors, and fuel storage and delivery solutions including cryogenics.

Products Under Development or Pre-Launch Window

HPDI 2.0

Westport Fuel Systems' next generation of HPDI technology, Westport™ HPDI 2.0 will provide global vehicle and engine OEMs with a vertically integrated natural gas solution with attractive price, performance, and fuel economy. Developed to OEM quality standards, Westport™ HPDI 2.0 system components are manufactured in industry partners' facilities and offer ready integration into OEM operations globally. A key component of the Westport™ HPDI 2.0 system is a brand new family of high pressure fuel injectors, co-developed with Delphi, designed to provide better cost, smaller size and improved packaging compared to prior generation Westport™ HPDI injector designs. Westport Fuel Systems and Delphi have entered into a joint development agreement which will combine Westport Fuel Systems' intellectual property and engineering strengths to co-develop and manufacture high-pressure natural gas fuel injectors designed for multiple engine OEMs. The family of injectors is developed with core components of Westport's HPDI 2.0 fuel system.

Westport Fuel Systems has developed proprietary technologies to store and deliver liquefied gaseous fuels at cryogenic temperatures. Given the Corporation's deep cryogenics expertise and capabilities and associated

intellectual property portfolio, Westport Fuel Systems also works closely with leading suppliers including SAG (LNG fuel tanks) and G.W. Lisk (gas conditioning module) on key off-engine components.

*High Efficiency Spark Ignited ("**HESI**") Natural Gas System*

Westport Fuel Systems' proprietary HESI technology is designed to provide vehicle and engine OEMs with a natural gas solution that exceeds the power and torque of the diesel engine upon which it is based. This allows for engine downsizing resulting in a smaller, lighter, more powerful, more fuel efficient and lower emissions package. Using 100% dedicated natural gas as fuel, this technology optimizes the combustion system and thermal management of the engine by taking full advantage of the ultra-high octane performance fuel properties of natural gas. Developed to meet the highest level of OEM quality standards, Westport Fuel Systems' new combustion system and components have been undergoing testing and are being further developed to offer ready integration into OEM applications globally.

Fuel Storage and Delivery

Cryogenic Tanks and Pumps

Natural gas is a bulky fuel. The most space efficient way to store it onboard a vehicle is in liquefied form. Once liquid, it becomes feasible as a replacement for diesel fuel in applications such as heavy duty trucks and large mine trucks where space is limited, long driving range is mandatory and excess weight is costly. Westport Fuel Systems has designed and developed durable and robust cryogenic tank and pump products that efficiently store LNG onboard vehicles and provide high pressure fuel to engines utilizing high pressure direct injection natural gas technology.

For Westport™ HPDI 2.0, the Corporation has designed its cryogenic tank and pump products for reduced cost, improved quality and durability and minimum space claim on the vehicle. Rigorous validation and durability testing has been carried out including bonfire, vibration, drop and rifle shot. The tank modules have passed shaker table testing that correlates to 1,250,000 km of real world driving conditions.

Westport Fuel Systems' LNG tank modules with integrated cryogenic pumps, are offered in both high and low discharge pressure options. The colder the LNG, the greater the amount of fuel stored for a given space - about 10% greater than saturated or so-called "warm" LNG. Cold LNG also has the best possible environmental performance in terms of avoiding fugitive methane emissions - up to double the hold time. Not having to saturate or warm up the LNG at the fueling station, results in significant operational savings for fuel providers, lower capital costs of the stations and fewer LNG trucks needed to commission new stations - approximately 20 compared with 40 trucks needed for saturated or warm stations. Westport Fuel Systems' LNG tank products with integrated cryogenic pump enables all of these benefits.

For high horsepower ("**HHP**") applications such as mining, rail, marine, and oil & gas, current cryogenic pump options available in the market today are bulky, expensive, unreliable and do not provide instant fueling on startup. Westport Fuel Systems is in the final development stage of its HHP P200 pump to overcome these problems. Westport Fuel Systems is in the process of significant development with a world renowned supplier of heavy duty high horse power mining trucks and it is also a means of introducing gas on rail. Westport Fuel Systems is engaged with OEMs to handle both low pressure and high pressure applications. High Pressure with the P200 has not been introduced to the market as of today as validation for structural and durability factors are being evaluated. It is being designed to surpass current emission regulations as well as meet or beat the future planned emission regulations.

Cummins Westport Joint Venture

CWI, Westport Fuel Systems' 50:50 joint venture with Cummins, Inc. ("**Cummins**"), serves the medium and heavy-duty on highway engine markets. CWI engines are offered by many OEMs for use in transit, school and shuttle buses, conventional trucks and tractors, and refuse collection trucks, as well as specialty vehicles, such as

short-haul port drayage trucks and street sweepers. CWI is the leading supplier of natural gas engines to the North American medium- and heavy-duty truck and transit bus industries.

All CWI natural gas engines are dedicated 100% natural gas engines. The fuel for CWI engines can be carried in tanks on the vehicle as CNG or LNG All engines are also capable of operating on up to 100% RNG.

CWI is a Delaware corporation owned 50% by Westport Power Inc. ("**WPI**"), a wholly-owned subsidiary of Westport Fuel Systems Inc., and 50% by Cummins. The board of directors of CWI is comprised of three representatives from each of Westport Fuel Systems and Cummins. On February 19, 2012, Westport Fuel Systems, Cummins and CWI entered into a Second Amended and Restated Joint Venture Agreement governing the operations of CWI which amended the focus of CWI's future product development investments to North American markets, including engines for on-road applications between the displacement range of 5.9 litres through 12 litres, and to have these engines manufactured in Cummins' North American plants.

The purpose of the CWI joint venture is to engage in the business of selling, marketing and developing SI natural gas or propane engines for on-highway use. CWI utilizes Cummins' supply chain, back office systems and distribution and sales networks. The joint venture term is scheduled to end on December 31, 2021.

CWI engines are manufactured in Cummins' North American engine plants in Rocky Mount, North Carolina and Jamestown, New York, allowing CWI to leverage Cummins' manufacturing footprint without incurring additional capital costs. Engines are sold to truck and bus OEMs for installation onto new vehicles. The fuel storage systems are installed at the OEM factory or at a third party location, such as a truck-body builder or at a fuel system integrator.

Products

CWI has six engines in commercial production today: ISL G NZ, ISB6.7 G, ISX12 G, ISL G, ISC8.3 G, and ISB5.9 G.

The ISL G NZ is an 8.9L natural gas engine which went into production in October 2016, and is the first midrange engine in North America to receive emission certifications from both the U.S. EPA and CARB for meeting the ARB optional Near Zero NOx Emissions standards for medium-duty truck, urban bus, school bus, and refuse applications. The exhaust emissions are now certified 90% lower than the current EPA NOx limit and also meets the 2017 EPA greenhouse gas emission requirements with a 9% GHG reduction from the current ISL G.engine. The 8.9 litre ISL G was introduced in 2007 as a medium-duty engine for bus and truck applications, and is certified to the EPA 2016, as well as Euro V, EEV (Enhanced Environmentally Friendly Vehicle) and Euro VI standards.

In 2016, CWI also introduced a new dedicated natural gas engine for school bus, shuttle, transit, medium-duty truck, and vocational vehicle markets. Based on the Cummins ISB6.7 diesel platform, the CWI ISB6.7 G meets the U.S. EPA and CARB 2016 emissions regulations, and also meets CARB's optional low oxides of nitrogen (NOx) standard as well as the 2017 EPA GHG requirements. The ISB6.7 G also features the same advanced combustion and emissions control technologies as CWI's ISL G & ISX12 G engines.The ISX12 G engine is an 11.9 litre heavy-duty, dedicated natural gas engine for regional haul truck / tractor, vocational and refuse applications. The ISX12 G natural gas engine is based on the Cummins ISX12 diesel engine platform. The ISX12 G was introduced in April 2013 and is certified to EPA 2016 and CARB emissions standards.

Cummins Westport has announced three new engines that will commence production in 2018. The L9N, ISX12N and B6.7N will replace the ISL G NZ, the ISB6,7 G and ISX12 G, respectively. The new engines meet US OBD requirements for 2018, and have NOx emissions significantly lower than current US EPA requirements. The B6.7N has NOx emissions 50% below the current regulated limit of 0.2 grams per horsepower hour, and the L9N and ISX12 N have NOx emissions over 90% below the regulated limit.

Intellectual Property

The goal of Westport Fuel Systems' intellectual property strategy is to capture, protect, and utilize the Corporation's intellectual property in coordination with its business and technology plans and to best enable the successful commercialization of its proprietary products. Westport Fuel Systems' intellectual property strategy is designed to be adaptive to its target markets and the products intended for those markets, to support the commercial launch of new products, and to sustain a long-term competitive edge in the markets. Westport Fuel Systems relies on a combination of patents, trade secrets, trademarks, copyrights and contracts to protect the Corporation's proprietary technology.

Westport Fuel Systems uses patents as the primary means of protecting its technological advances and innovations, which include proprietary claims to components, materials, operating techniques, and systems. Westport Fuel Systems has a proactive approach to identifying, evaluating and choosing strategic inventions that the Corporation seeks to protect through the timely filing and prosecution of patent applications. Westport Fuel Systems has a comprehensive invention disclosure program involving written invention memoranda and maintenance and preservation of supporting laboratory records. Patent applications are filed in various jurisdictions internationally, which are carefully chosen based on the likely value and enforceability of intellectual property rights in those jurisdictions, and to strategically reflect the Corporation's anticipated major markets.

As of December 31, 2016, Westport Fuel Systems had filed over 1,300 patent applications worldwide relating to almost 300 inventions, and the Corporation held more than 450 issued patents worldwide, including more than 100 issued U.S. patents. Westport Fuel Systems also has more than 280 patent applications pending in the U.S. and other countries and under the international Patent Cooperation Treaty, which preserves for at least 30 months the Corporation's right to file corresponding patent applications in all of the major industrial countries that are of interest to it. These issued patents and pending patent applications cover various aspects of Westport Fuel Systems' technology.

Westport Fuel Systems believes it has developed a significant international patent portfolio, which establishes a broad foundation for its ongoing research activities and continues to yield new and patentable developments. Westport Fuel Systems' strategy is directed not only to capturing improvements that the Corporation makes to its current technologies and extending the window for such technologies, but also to capturing future technologies that Westport Fuel Systems believes could supplant current technologies.

Portions of Westport Fuel Systems' know-how are protected as trade secrets and through contractual agreements with its employees, suppliers, partners and customers. Westport Fuel Systems takes measures to carefully protect its intellectual property rights in its collaboration agreements and attempt to capture maximum value from its products to ensure a competitive advantage. Westport Fuel Systems is supporting the ongoing development of its market image and branding strategy by seeking timely registration of its trademarks in strategically chosen jurisdictions.

Business Strategies

Westport Fuel Systems is the premier global organization for the engineering, manufacturing, and supply of alternative fuel systems and components for transportation applications. Westport Fuel Systems believes gaseous fuels such as natural gas, propane, renewable natural gas, and hydrogen provide the best near-term alternative to petroleum-derived fuels in many applications, offering compelling environmental, economic, and energy security benefits. The first-generations of natural gas vehicles are now well established in key markets around the world with many using Westport Fuel Systems' proprietary components or delivered through its joint ventures.

Westport Fuel Systems intends to maintain its market leadership position by focusing its efforts on the following number of business strategies:

Provide Technology Solutions for Global Environmental Challenges

The transportation sector is undergoing a profound transformation. The Paris Climate Accord signaled a strong call to action with more than 174 countries committing to large GHG emissions reductions over the next 15 years.

The increasing availability of low-carbon fuels, the rise of a multi-fuel economy with natural gas, LPG, electric vehicles, biofuels, and hydrogen competing with diesel and gasoline, continued technological advancements and breakthroughs on both incumbent and new powertrains, the participation of non-traditional industry players, like Google, with capital to invest in autonomous vehicles, and the emergence of new transportation companies, like Uber, have already begun to influence how people and freight are moved.

Westport Fuel Systems is the technology solutions provider for global OEMs with a track record of innovation in gaseous fueled engines, vehicles, systems, and components. The Corporation's expertise in gaseous fuels and cryogenics has made it the go-to partner for OEMs needing on-road products to meet increasingly stringent regulatory frameworks. While early innovative efforts have been driven by the need to reduce criteria air pollutants, the focus has now shifted in most jurisdictions to reducing GHG emissions and improving fuel efficiency.

Air quality remains an important public health issue in key markets like California. The California Air Resources Board ("**CARB**") adopted optional low oxides of nitrogen ("**NOx**") emission standards for on-road heavy-duty engines in 2013. For California to meet its 2023 ambient ozone air quality standards, CARB estimates that it will require a 90% reduction in NOx emissions below 2010 baseline levels measured in the South Coast air basin.

The 8.9 litre Cummins Westport ISL G Near Zero NOx engine is the first medium duty engine in North America to receive emissions certifications from both the U.S. Environmental Protection Agency ("**EPA**") and the CARB that meet the 0.02 g/bhp-hr optional Near Zero NOx Emissions standards for medium-duty truck, urban bus, school bus, and refuse applications. Methane emissions have also been cut through the combined use of closed crankcase ventilation and revised catalyst formulations.

As an engine and fuel system manufacturer, Westport Fuel Systems' direct responsibility is for the performance of fuels in the engines it develops and the emissions created by the engine. However, when any transportation fuels are used, it is not just the direct emissions that are calculated in a life-cycle analysis. There are emissions that are generated in the production of all fuels (i.e. oil extraction, refining, electricity generation, natural gas processing and transmission). When these emissions are taken into account, a well-to-wheel comparison can be made that includes the carbon intensity in producing, delivering, and combusting fuels.

Transportation quality grade natural gas is increasingly being produced from non-fossil sources, in the form of RNG or biomethane. Feedstocks for RNG include landfill gas, municipal solid waste, waste water treatment plants, or agricultural manure. In the case of these alternative natural gas feedstocks, substantial carbon intensity reductions can be achieved because turning these waste products into transportation fuel eliminates direct emissions of CO2 and methane that occur naturally and without any end-use benefit. Natural gas vehicles can operate with 100 percent renewable natural gas or any percentage of blended renewable and geologic gas.

In December 2013, Westport Fuel Systems unveiled Westport™ HPDI 2.0; a next generation natural gas technology designed to provide a vertically integrated solution to vehicle and engine OEMs with a compelling value proposition and comparable power, torque, and fuel economy benefits of a true compression ignition engine. Westport HPDI 2.0 features further improvements to maximize the GHG emission reduction benefits of natural gas, such as the capture of dynamic venting. It is the only natural gas engine technology that can achieve thermal efficiency within 1% of current generation high efficiency heavy duty diesel engines, with inherently low engine-out unburnt methane emissions.

Developed to OEM quality standards, Westport™ HPDI 2.0 system components are manufactured in Westport Fuel Systems' partner facilities as part of the Corporation's asset-light strategy, offer ready integration into OEM operations globally, and provide an attractive way to reach scalable volume deliveries as natural gas markets mature and grow.

Westport Fuel Systems partners with OEMs to offer a complete systems solution, including development services, while leveraging the manufacturing, distribution, sales, and aftermarket service capability of its partners. This enables Westport Fuel Systems to optimize an integrated approach to achieve economies of scale. Westport Fuel Systems is continuing discussions with additional leading truck and engine OEMs to integrate its products into existing truck and engine configurations and expand the Corporation's existing relationships.

Westport Fuel Systems has partnered with and continues to seek to partner with the largest tier one automotive component suppliers, allowing it to benefit from their economies of scale, pre-existing manufacturing capacity, proven production capability, and developed supply chains, thus reducing the Corporation's cost structure and investment in fixed assets while further enhancing product quality. To date, Westport Fuel Systems has focused on developing strong supply chain relationships by partnering or collaborating with leading suppliers, such as Delphi Automotive plc ("**Delphi**").

High-horsepower applications (16 litre or greater) including locomotives, mine-haul trucks, and marine vessels face similar regulatory pressure to reduce GHG emissions. These demanding engine applications consume large amounts of fuel and often operate in jurisdictions where LNG offers a significant cost advantage over diesel, thereby also providing more favourable economics for the use of natural gas. Westport Fuel Systems proprietary technologies for fuel storage and delivery such as the P200 cryogenic pump for high-volume applications like locomotive tenders and mine-haul trucks is an example of Westport Fuel Systems' innovation in natural gas fuel supply expertise.

Maintain a Premier, Leading Technology Position

Westport Fuel Systems has both significant operational competency and a leading technology position. Westport Fuel Systems believes the combination of the Corporation's considerable investment in research and development and team of world-class engineers is responsible for unique innovative solutions and differentiated intellectual property that allows it to attract and access leading global engine OEMs in the transportation space.

The Corporation's global patent portfolio has been pivotal to its market-leading position and it continues to serve as a significant barrier to new entrants. In order to maintain the Corporation's technology leadership, Westport Fuel Systems continues to explore product improvements and new product opportunities in each of the segments it serves to ensure that its portfolio evolves to meet market dynamics. Westport Fuel Systems expects to expand the Corporation's intellectual property portfolio as it files new patent and trademark applications to capture value generated by new technological advances. Westport Fuel Systems also believes that its gaseous-fueled engine technologies, cryogenic fuel systems, and experience will allow it to exploit opportunities that may arise related to emerging low-carbon fuels such as hydrogen.

Westport Fuel Systems' access to OEMs sets it apart. Westport Fuel Systems has established several strategic partner relationships with key automotive, engine and truck OEMs, joint ventures including CWI and WWI and co-marketing agreements with natural gas fuel providers like Royal Dutch Shell plc ("**Shell**"). These relationships provide strategic value to Westport Fuel Systems in its ability to leverage its partners' global market access and distribution channels.

Offer a Range of Brands and Products for Diverse Applications and Markets

Westport Fuel Systems offers recognized global brands and products for a diverse range of fuel system applications and markets. The Corporation has brand equity in the alternative fuel space and its breadth of reach includes passenger car and light-duty truck, medium-duty, heavy-duty, high horsepower, cryogenics, and CNG refueling markets. Post-Merger integration activities in 2016 have enabled the Corporation to realize synergies through a strategic assessment of its entire portfolio with emphasis on the products and brands that will drive long-term profitability.

Westport Fuel Systems intends to accelerate market penetration in key light-duty automotive markets by leveraging its increased scale, customer base, and global sales and distribution networks. The Westport Fuel Systems Automotive division designs, manufactures, and sells components and systems for passenger car, light-duty and medium trucks including OEM, delayed OEM ("**DOEM**"), and aftermarket applications. Westport Fuel Systems sells LPG and CNG components to more than 20 global OEMs and to aftermarket customers in more than 70 countries around the world. The products designed and sold by Westport Fuel Systems are sold directly to OEM or local distributors under 11 different well-recognized and well-established brands such as BRC, Prins, Emer and IMPCO Automotive.

Westport Fuel Systems continues to pursue strategic investments and develop OEM products and capabilities to maintain its market leadership position. Westport Fuel Systems is able to optimize its industry-leading portfolio via the ability to cross-sell products and efforts to sell full systems and conversions rather than just components. Westport Fuel Systems' global footprint allows it to leverage capabilities to better serve customers through product localization to after-sales support.

Westport Fuel Systems focuses on market development efforts in the regions of Europe, Asia-Pacific, the Middle East, and the Americas where natural gas and LPG vehicle sales are growing or where market conditions are attractive for growth. These countries generally have attributes that serve to promote the shift to natural gas for transportation, including but not limited to: i) policies and regulations for either GHG mitigation, urban air quality, or energy security purposes that either mandate alternative fuels or promote their use, ii) domestically available and cost advantageous natural gas resources, iii) a favourable natural gas fuel price differential compared to petroleum-derived fuels, and iv) a lack of domestic oil reserves or insufficient refining capacity to meet transportation demands with petroleum fuels only.

Market Overview

Transportation accounts for about 14% of global GHG emissions.[1] Compared to other primary energy use sectors, including electricity, industry, and buildings, transportation is the most difficult to decarbonize because of the challenge of economically replacing the energy density of fossil fuels. The current global transportation energy mix is still dominated by petroleum derived fuels like gasoline and diesel that total approximately 95% of current consumption, but the Corporation is witnessing the emergence of a more diversified or poly-fuel mix as natural gas, liquid biofuels, electric vehicles, and hydrogen fuel cells are gaining an ability to compete on price, range, and market share.[2]

The Paris Climate Agreement, signed by more than 174 countries in October 2016, has the central aim to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.[3]

The degree to which the Corporation is able to realize the targets for the transport sector and diversify beyond oil will be a function of technology breakthroughs on both fuels and vehicles, political action, shifting demographics, and a range of new public policy considerations that will not only influence how people and freight are moved, but how and where we live. Despite significant progress on higher efficiency vehicles, advanced engines and alternative fuels, expanded public transit, increased urbanization, lower carbon freight options like rail and marine, and new mobility modes like car sharing and the potential of autonomous vehicles, achieving deep reductions in GHG emissions and fossil fuel consumption remains a challenge.

This challenge also presents an opportunity for leadership. Most companies provide or use transportation and virtually all companies use vehicles, fleets, and logistics to get work done. The sustainability drivers for transportation include energy consumption, rising or volatile fuel prices, and emissions regulations that necessitate energy efficiency and the management of GHG emissions. Evolving energy regulation is also creating an opportunity for innovation.[4] With the Corporation's current commercialized product portfolio, soon-to-be launched technology, like HPDI 2.0, brand value, and geographic reach in key markets, Westport Fuel Systems is presently delivering cleaner-burning, low-carbon, gaseous fuelled engines, fuel systems, and components to meet demanding regulatory frameworks.

The market for alternative fuels is also driven by economic and energy security considerations. Concerns over oil price volatility have all contributed to the demand for cleaner, low-carbon technology solutions for the transport sector. The acceptance of natural gas-fuelled engines depends in large part on the price differential between natural gas, LPG, diesel, and gasoline. Despite current oil price volatility tied to an overabundance of supply, natural gas

[1] https://www.epa.gov/ghgemissions/global-greenhouse-gas-emissions-data
[2] http://www.bsr.org/reports/BSR_Future_of_Fuels_Understanding_Impacts_of_Fuels.pdf
[3] http://unfccc.int/paris_agreement/items/9485.php
[4] http://www.greenbiz.com/blog/2014/02/27/rise-sustainability-transportation

and LPG has generally been, and currently is, less expensive than diesel fuel in many jurisdictions. This price differential is affected by many factors, including changes in the resource base for natural gas compared with crude oil, availability of shale gas, pipeline transportation capacity for natural gas, refining capacity for crude oil, exports for refined products and government excise and fuel tax policies.

Competitive Conditions

Westport Fuel Systems is a leader in high-performance, low-emission engine and fuel system technologies utilizing gaseous fuels. Westport Fuel Systems believes it is one of the few companies that is focused on the development and commercialization of these technologies. The company primarily competes directly with companies offering alternative fuel combustion technologies, fuel delivery systems, components, electronics, and related systems using gaseous fuels. The company also competes with other alternative powered vehicle technologies such as those powered by electric or hybrid-electric or other propulsion technologies. Indirectly, the company competes with conventional manufacturers and developers of combustion technologies, fuel delivery systems, components, and electronics for vehicles fueled by diesel or gasoline. Competitors can range in size, technical expertise, and resources from the largest automotive OEMs to individual inventors. Industry participants compete on innovation, product performance, customer support, price, and other factors. Increasing interest in the alternative-fuels marketplace has increased the number of new entrants in certain countries; however, lower oil price levels in recent years and changing macroeconomic factors have also reduced the number of competitors in some countries, particularly reducing the number of smaller firms that do not have the economies of scale to stay competitive. The Corporation has leading market share positions in many of its alternative fuel markets and application segments globally or in certain countries, including its alternative fuel systems and components, light duty DOEM products, and medium duty applications.

Specifically, Westport Fuel Systems' products and its related technologies compete with:

- Manufacturers of on-engine and off-engine components and systems that use alternative fuels such as LPG, CNG, LNG, and hydrogen may produce only a small sub-set of components, or manufacture or assemble complete systems. They may also manufacture or assemble conversion kits that are used to convert vehicles fueled by diesel or gasoline to an alternative fuel. The Corporation also competes with motor vehicle OEMs that develop fuel systems internally.

- Conversion specialists that convert vehicles to run on alternative fuels by installing alternative fuel components or systems on vehicles as part of a vehicle production OEM process, a DOEM process, or by installing components and conversion kits on vehicles in the aftermarket that were originally fueled by diesel or gasoline.

- Conventional established technologies using spark-ignited or direct injection combustion technologies and related systems and components, such as engines powered by diesel fuel and gasoline. These incumbent technologies, from a fairly large number of global manufacturers, hold a very large market share in the Corporation's target applications.

- Alternative-fuel engines and related technologies using broadly the same technical approaches as Westport Fuel Systems products, such as high pressure direct injection combustion technology, spark-ignited natural gas and dual-fuel engines, LNG tanks, and new and aftermarket fuel system components. These Westport Fuel Systems products compete head-to-head with conceptually-similar products from other companies.

Alternatively powered vehicle and related technologies using fundamentally different technical approaches, such as hybrid and fully-electric vehicles, which Westport Fuel Systems does not offer.

Recent Developments

2017 Financial Information

The Company expects to report revenue in the range of U.S.$57 to U.S.$59 million for the three months ended June 30, 2017 and approximately U.S.$87 million of cash on hand at June 30, 2017.

Asset Dispositions

On June 1, 2017, Westport Fuel Systems announced the closing of the sale of assets related to the industrial mobile and stationary equipment business for a total of U.S.$17.5 million. Net proceeds to the Corporation at closing were approximately U.S.$15 million, after adjusting for estimated net working capital, transaction costs, hold back amounts and other deal related expenses.

On April 28, 2017, Westport Fuel Systems announced the closing of the sale of assets used in the Corporation's business relating to the development, manufacture and sales of diesel and electronic auxiliary power units for truck and rail applications to Carrier Corporation for a total of U.S.$70 million. Net proceeds to the Corporation at closing were approximately U.S.$60 million, after adjusting for estimated net working capital, transaction costs, hold back amounts and other deal related expenses.

THE OFFERING

Common Shares offered by Westport Fuel Systems	16,700,000 Common Shares.
Option to purchase additional shares	2,505,000 Common Shares.
Common Shares outstanding before this Offering	111,205,022 Common Shares.
Common Shares to be outstanding immediately after this Offering	127,905,022 Common Shares (130,410,022 Common Shares if the Underwriters exercise the Over-Allotment Option in full).
Use of proceeds	Westport Fuel Systems expects to use the net proceeds from this Offering for repayment of debt and 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 7 of the accompanying Prospectus, and in the documents incorporated by reference herein and therein before investing in the Common Shares.
TSX symbol	WPRT
NASDAQ symbol	WPRT

The number of Offered Shares and the number of Common Shares to be outstanding are based on the approximate number of Common Shares outstanding as of July 12, 2017. Unless the Corporation specifically states otherwise, the information in this Prospectus Supplement:

- is based on the assumption that the Underwriters will not exercise the Over-Allotment Option to purchase additional Common Shares granted to them by us;
- excludes 1,670,000 Common Shares reserved for issuance upon the exercise of performance share units outstanding as of July 12, 2017; and
- excludes 4,420,410 Common Shares reserved for issuance upon the exercise of restricted share units outstanding as of July 12, 2017.

Summary Consolidated Financial Data

The following selected consolidated financial data are derived from the Annual Financial Statements and Q1 Financial Statements, respectively, incorporated by reference in the Prospectus and this Prospectus Supplement. In the opinion of management, the unaudited consolidated financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results of operations for such periods. Operating results for the three months ended March 31, 2017 are not necessarily indicative of the results that may be

expected for the fiscal year ended December 31, 2017 or any other future period. This information is only a summary and should be read together with the consolidated financial statements and the related notes and other financial information, as well as the Annual MD&A and the Q1 MD&A incorporated by reference in the Prospectus.

The Corporation's audited consolidated annual financial statements as at December 31, 2016, 2015 and 2014 have been prepared in U.S. dollars in accordance with U.S. GAAP. The Corporation's historical results from any prior period are not necessarily indicative of results to be expected for any future period.

	Fiscal Year Ended December 31,		Three Months Ended March 31,	
	2016 (Adjusted, Note 1)	**2015**	**2017**	**2016**
(expressed in thousands of U.S. dollars, except for gross margin %, per share amounts and shares outstanding)				
	(audited)		*(unaudited)*	
Total revenue[2]	$ 177,301	$ 103,304	$ 60,023	$ 24,011
Gross margin	35,084	18,072	17,511	6,380
Gross margin %	19.8%	17.5%	29.2%	26.6%
Net loss from continuing operations	(100,518)	(99,154)	(12,825)	(24,534)
Net loss	(97,573)	(99,154)	(12,524)	(24,534)
EBITDA [3]	(69,326)	(79,054)	(6,649)	(19,244)
Adjusted EBITDA[3]	(45,319)	(39,731)	(4,130)	(11,939)
Net loss per share – basic and diluted[4]	(1.07)	(1.55)	(0.11)	(0.38)
Weighted average shares outstanding	91,028,504	64,109,703	110,171,034	64,413,316

	Balances as at		
	March 31, 2017	**December 31, 2016**	**December 31, 2015**
	(unaudited)	*(audited)*	
Cash and short-term investments	$ 47,701	$ 60,905	$ 27,839
Total assets	325,321	331,460	213,683
Financial liabilities[5]	225,038	218,083	119,901

Notes:

(1) The 2016 figures have been adjusted to reflect the sale of the former industrial assets which occurred on April 28, 2017 and June 1, 2017 (See "Recent Developments" and Note 5 of the Q1 Financial Statements which are incorporated by reference herein). As a result, the total revenue, gross margin and gross margin % are different than what was reported in the Annual Financial Statements. The industrial business was acquired on June 1, 2016 on acquisition of Fuel Systems Solutions, Inc. and thus, there was no discontinued operations for the three months ended March 31, 2016 or in 2015.

(2) 2016 and 2017 revenue and other income statement balances include results from Fuel Systems Solutions, Inc.'s business, excluding those related to the sale of industrial assets as indicated in Note (1), since the June 1, 2016 merger.

(3) See "Non-GAAP Measures" in this Prospectus Supplement for a discussion of the Corporation's use of non-GAAP measures and the Annual MD&A and Q1 MD&A for a reconciliation from net loss from continuing operations to EBITDA and Adjusted EBITDA.

(4) Fully diluted loss per share is not different as the effect of outstanding share units would be anti-dilutive.

(5) Excluding warranty liability, deferred revenue, deferred income tax liabilities and other long-term liabilities.

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 7 of the accompanying Prospectus.

Risks Relating to Westport Fuel Systems' Business

Certain of Westport Fuel Systems' products may not achieve widespread adoption, which will have a materially adverse effect on Westport Fuel Systems' business, financial condition and growth prospects.

Westport Fuel Systems' proprietary technologies have been demonstrated in heavy-duty trucks, medium-duty, light-duty vehicles and high-horsepower applications. However, Westport Fuel Systems does not know when or whether we will be successful in the commercialization of products for any of its target markets. Investment in the Corporation's high pressure direct injection (HPDI) technology is expected to drive future growth of the company. There can be no assurance that engines using Westport Fuel Systems' HPDI technology will perform as well as the Corporation expects or that prototypes and commercial systems will be developed and sold in commercially viable numbers.

Many of Westport Fuel Systems' fuel systems presently have higher initial capital costs than the incumbent competing technologies, and manufacturing costs of some of its products at a large-scale commercial level have not been confirmed. If Westport Fuel Systems is unable to produce fuel systems that are economically competitive, on a life-cycle cost basis, in terms of price, reliability and longevity, customers will be unlikely to buy products containing its fuel systems.

The application of Westport Fuel Systems' HPDI technology in high-horsepower applications is in its early stages. Westport Fuel Systems' technology may not meet all the demands of these new applications, such as ultrahigh reliability, long life, high efficiency, high performance, refuelling convenience, emissions and safety regulations. Other technologies may provide a better compromise. In these cases Westport Fuel Systems' market penetration may be lower than expected. The failure of the Corporation's HPDI technology to achieve widespread adoption will have a materially adverse effect on the Corporation's business, financial condition and growth prospects.

Westport Fuel Systems will need additional financing in the future and any such financing may dilute the existing shareholders.

Westport Fuel Systems intends to use the net proceeds received from this Offering to repay Cdn.$55.0 million principal amount of currently outstanding debentures scheduled to mature on September 15, 2017. In the event that the debentures are extended or replaced and the full net proceeds of the Offering are not required to acquire or repay such debentures, any net proceeds not used for such purposes will be used for general and administrative expenses. (For a more complete description of the Corporation's anticipated use of proceeds from this Offering, see "Use of Proceeds".)

Even after Westport Fuel Systems completes this Offering, it will require additional funds for its commercialization plans, to fund working capital, research and development of its new technologies, including the development and commercialization of its HPDI technology. The Corporation is in the process of negotiating debt and asset based financing, non-core asset divestitures and other non-dilutive funding sources, and there can be no assurance that Westport Fuel Systems will be able to secure additional funding, or funding on terms acceptable to it, to pursue its commercialization plans.

If Westport Fuel Systems raises additional funds through further issuances of equity, convertible debt securities or other securities convertible into equity or any of the Corporation's outstanding convertible debt is converted into Common Shares, the Corporation's existing shareholders could suffer significant dilution in their percentage ownership of the Corporation. Any new equity securities Westport Fuel Systems issues could have rights, preferences and privileges senior to those of holders of its Common Share.

Westport Fuel Systems could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act, Canada's Corruption of Foreign Public Officials Act, and similar foreign anti-bribery laws.

The U.S. *Foreign Corrupt Practices Act* ("**FCPA**"), *Canada's Corruption of Foreign Public Officials Act* ("**CFPOA**") and similar anti-bribery laws in other jurisdictions prohibit companies and their directors, officers, employees and agents from promising, offering or giving anything of value, including money, to foreign officials, including employees of government owned businesses, for purposes of corruptly influencing such officials in their official duties in order to assist the company in obtaining or retaining business. During the last few years, the U.S. Department of Justice and the SEC and the Royal Canadian Mounted Police have brought an increasing number of FCPA and CFPOA enforcement cases, many resulting in very large fines and deferred criminal prosecutions. Westport Fuel Systems operates in many countries which are viewed as high risk for the purposes of FCPA and CFPOA compliance. There can be no assurance that all employees and third-party intermediaries (including the Corporation's distributors and agents) will comply with anti-corruption laws. Any such violation could have a material adverse effect on the Corporation's business. As part of the Corporation's anti-corruption policies, in the event that Westport Fuel Systems has reason to believe that its employees, agents, distributors or other third parties that transact Westport Fuel Systems' business have or may have violated applicable anti-corruption laws, including the FCPA and CFPOA, the Corporation may investigate or have outside counsel or agents investigate the relevant facts and circumstances. Westport Fuel Systems has incurred and in the future may incur additional compliance costs associated with the implementation of its FCPA and CFPOA compliance policies and training programs, which could have a material impact on Westport Fuel Systems' business.

In any acquisition or joint venture Westport Fuel Systems engages in, the Corporation exposes itself to the possibility that the employees and agents of such businesses may not have conducted themselves in compliance with the anti-corruption laws. In response to increasing FCPA and CFPOA enforcement actions in the U.S. and Canada, Westport Fuel Systems has sought to impose contractual provisions and undertake cost appropriate due diligence. Westport Fuel Systems cannot provide assurance that it will always be protected from the consequences of acts which may have violated the FCPA or CFPOA.

On June 15, 2017, the Enforcement Division of the SEC issued a subpoena to Westport Fuel Systems for information concerning its Weichai Westport Inc. joint venture and compliance with the FCPA in connection with the Corporation's operations in China. Westport Fuel Systems is cooperating with this request and cannot predict the duration, scope or outcome of the SEC's investigation.

Any determination that the Corporation's operations or activities are not, or were not, in compliance with the FCPA or CFPOA may result in significant civil and criminal fines, as well as criminal convictions. Violations of the FCPA, CFPOA and other foreign anti-bribery laws, or allegations of such violations, could disrupt the Corporation's business and cause it to suffer civil and criminal financial penalties and other sanctions, which are likely to have a material adverse impact on its business, financial condition, and results of operations. Cooperating with the SEC in connection with its investigation, as well as responding to any future U.S., Canada or other foreign governmental investigation, could result in substantial expenses and could have a material adverse effect on Westport Fuel Systems' business and financial condition and growth prospects.

Risks Relating to this Offering and an Investment in Common Shares

Shareholders will experience immediate dilution.

Westport Fuel Systems is authorized to issue, among other classes of shares, an unlimited number of Common Shares for consideration and on terms and conditions as established by its Board of Directors without the approval of shareholders in certain instances. The holders of the Offered Shares will have no pre-emptive rights in connection with such further issues. Any future issuances of Common Shares or other securities convertible into, or exchangeable for, Common Shares may result in dilution to present and prospective holders of Common Shares.

Purchasers will incur an immediate and substantial dilution in net tangible book value of U.S.$0.12 per share, after giving effect to the sale by Westport Fuel Systems of 16,700,000 Offered Shares in this Offering, and after

deducting the Underwriters' fee and estimated Offering expenses payable by the Corporation. In addition, if the Underwriters exercise their option to purchase additional Common Shares, purchasers will incur additional dilution.

Westport Fuel Systems has broad discretion in how it uses the net proceeds of this Offering, and the Corporation may not use these proceeds in a manner desired by the Corporation's shareholders.

Westport Fuel Systems' 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 the Corporation's management regarding the use of these proceeds. Westport Fuel Systems' management could spend the net proceeds from this Offering in ways that the Corporation's shareholders may not desire or that do not yield a favorable return. Purchasers will not have the opportunity, as part of their investment in the Common Shares, to influence the manner in which the net proceeds of this Offering are used. As of the date of this Prospectus Supplement, the Corporation plans to use the net proceeds from this Offering for the repayment of debt and for general corporate purposes. The amounts actually spent by the Corporation for any specific purpose may vary significantly and will depend on a number of factors, including the performance of the Corporation's existing joint ventures, the pace of development of markets for its products, Westport Fuel Systems' ability to negotiate supply arrangements, its engineering abilities, the emergence of technical issues in relation to the Corporation's products in the future and any other unforeseen developments in relation to Westport Fuel Systems' markets or to its products. In addition, Westport Fuel Systems' future financial performance may differ from its current expectations or the Corporation's business needs may change as its business and the industry it addresses evolve. As a result, the net proceeds the Corporation receives in this Offering may be used in a manner significantly different from the Corporation's current expectations.

The number of Common Shares available for future sale could adversely affect the market price of the Common Shares.

If Westport Fuel Systems or any of its shareholders sell a large number of Common Shares, or if Westport Fuel Systems issues a large number of Common Shares in connection with future acquisitions, financings, conversion of existing indebtedness or other circumstances, the market price of the Common Shares could decline significantly. Moreover, the perception in the public market that Westport Fuel Systems or its shareholders might sell Common Shares could depress the market price of those shares.

Westport Fuel Systems cannot predict whether future issuances of Common Shares or the availability of Common Shares for resale in the open market will decrease the market price of the Common Shares. Upon completion of this Offering, the Corporation will have 127,905,022 Common Shares (130,410,022 Common Shares if the Underwriters exercise the Over-Allotment Option in full), based on the number of Common Shares outstanding as of July 12, 2017.

Any of the following could have an adverse effect on the market price of the Common Shares:

- the exercise of the Over-Allotment Option to purchase additional Common Shares;
- issuances of exchangeable notes or other exchangeable or convertible securities;
- issuances of preferred shares with liquidation or distribution preferences; and
- other issuances of Common Shares.

In addition, the market price for the Common Shares may be affected by changes in general market conditions, fluctuations in the market for equity or debt securities, actual or anticipated variations in Westport Fuel Systems' financial conditions or operating results, announcements of new developments, changes in financial reports by securities analysts or failure to meet such analysts' expectations, a downgrade, the occurrence of major catastrophic events, regulatory or compliance issues, sales of the Common Shares in the marketplace, and numerous other factors beyond the control of Westport Fuel Systems.

In connection with this Offering, Westport Fuel Systems and its executive officers and directors have entered into lock-up agreements restricting, subject to certain exceptions, the sale of any Common Shares or any securities convertible into or exercisable or exchangeable for Common Shares for 90 days following the date of this

Prospectus Supplement. However, the Lead Underwriter, in its discretion, at any time may release all or a portion of the securities subject to the foregoing lock-up provisions. If the restrictions under such agreements are waived, the affected Common Shares or other securities may be available for sale into the market, which could reduce the market price of the Common Shares.

From time to time the Corporation also may issue Common Shares in connection with strategic acquisitions, and may grant additional demand or piggyback registration rights in connection with these issuances. Sales of substantial amounts of Common Shares, or the perception that these sales could occur, may adversely affect the prevailing market price of the Common Shares or may adversely affect the terms upon which the Corporation may be able to obtain additional capital through the sale of equity securities.

USE OF PROCEEDS

The net proceeds of the Offering will be approximately U.S.$23.5 million, after deducting the Underwriters' fee of U.S.$1.5 million and before deducting the expenses of the Offering. If the Over-Allotment Option is exercised in full, the net proceeds of the Offering will be approximately U.S.$27,079,050 after deducting the Underwriters' fee of U.S.$1,728,450 and before deducting the expenses of the Offering. The expenses of the Offering are expected to be approximately U.S.$500,000.

Westport Fuel Systems intends to use the net proceeds of the Offering to assist the Corporation in the repayment or acquisition of Cdn.$55 million principal amount of currently outstanding debentures (the "**Debentures**") scheduled to mature on September 15, 2017 and for general and administrative expenses. The Cdn.$55 million debentures were issued pursuant to private placements that were completed in September 2011, for Cdn.$19 million, and June 2014, for Cdn.$36 million. The debt was primarily raised for working capital purposes. The Corporation may seek the approval of holders of Debentures, in accordance with the terms of the indenture governing the Debentures, to amend the terms of such Debentures to extend the current maturity date or otherwise offer an ability for such holders to acquire replacement debentures and/or may seek to directly or indirectly acquire such outstanding Debentures. In the event that the Debentures are extended or replaced and the full net proceeds of the Offering are not required to acquire or repay such Debentures any net proceeds not used for such purposes will be used for general and administrative expenses.

There is no particular significant event or milestone for Westport Fuel Systems' business objectives to be accomplished. Westport Fuel Systems will have significant discretion in the use of any net proceeds and such proceeds may be used differently or in different amounts than estimated above. The Corporation may invest the net proceeds temporarily in compliance with any applicable investment policy of the Corporation until it uses them for their stated purpose. The ultimate use of the proceeds of this Offering will depend on the amount of funds required to acquire or repay the Debentures, whether such Debentures are amended or extended, performance of the Corporation's existing joint ventures, the pace of development of markets for its products, its ability to negotiate supply arrangements, the Corporation's engineering abilities, the emergence of technical issues in relation to its products in the future and any other unforeseen developments in relation to its markets or to its products. The Corporation has incurred substantial losses since its inception in 1995 and continues to incur losses and experience negative cash flows. Westport Fuel Systems cannot predict the future amount of such negative operating cash flows, nor can it predict whether the Corporation will be able to generate positive operating cash flows in the future. The Corporation may, therefore, use all or a portion of the net proceeds of this Offering to fund negative operating cash flows to the extent it is required or management of the Corporation believes it is in the company's interest to do so. The Corporation likewise cannot guarantee that it will be successful in achieving product commercialization in respect of the products referred to in the documents incorporated by reference. See "Risk Factors – Risks Related to Our Business – We have incurred and continue to incur losses" in the accompanying Prospectus.

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 the Corporation's securities during the twelve month period prior to the date of this Prospectus Supplement.

Common Shares

Westport Fuel Systems has issued the following Common Shares during the periods indicated:

Date	Price per Common Share[1] [2] (CDN$)	Number of Common Shares[3]
2016		
March 1 – 31	1.50-3.01	107,543
April 1 – May 31	1.92-2.50	56,832
June 1	2.20	44,882,782[4]
June 2 - 30	1.67-2.07	297,253
July 1 to September 30	1.31 – 1.68	246,142
October 1 to December 31	1.13 – 1.59	137,721
2017		
March 1 – 31	0.83 – 1.31	104,185
April 1 – June 30	1.08 – 2.55	961,914
July 1 to July 7	2.27	1,254

Notes:

(1) Represents a price range indicating the lowest and highest prices at which the Common Shares were issued during the relevant period.

(2) Common Shares issued upon exercise of restricted share units ("**RSUs**") 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 issuance date.

(3) All Common Shares, other than those described in footnote (4) below were issued upon exercise of RSUs under the Westport Omnibus Plan (as defined in the Management Information Circular).

(4) On June 1, 2016, Westport Innovations Inc. completed the Merger with Fuel Systems Solutions Inc. and issued 44,882,782 Common Shares to the holders of common shares of Westport Fuel Systems Inc. at a ratio of 2.4755 to 1.

Share-based Awards

Westport Fuel Systems has, during the periods indicated, granted the following PSUs and RSUs pursuant to the Westport Omnibus Plan:

Share-based Awards

Date	Number of securities granted (#)	Per Share market value of shares underlying securities at time of unit issuance (CDN$)
June 2, 2016	684,402[1]	2.90
June 2, 2017	676,784[1]	2.26
June 9, 2017	7,500[1]	2.17

Note:

(1) Represents a grant of RSUs pursuant to the Westport Omnibus Plan.

MARKET FOR SECURITIES

The Common Shares are listed and posted for trading on the TSX under the trading symbol "WPRT" and on NASDAQ under the trading symbol "WPRT". The following table, together with the information contained under the heading "Market For Securities" in the Prospectus, 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 twelve month period prior to the date of this Prospectus Supplement.

	Toronto Stock Exchange				NASDAQ Global Select Market			
	High (CDN$)	**Low (CDN$)**	**Close (CDN$)**	**Volume (Shares)**	**High (U.S.$)**	**Low (U.S.$)**	**Close (U.S.$)**	**Volume (Shares)**
Period								
2016								
June	2.95	1.88	2.16	1,184,332	2.25	1.434	1.67	13,305,626
July	2.35	1.66	1.80	1,259,927	1.74	1.29	1.38	14,035,195
August	2.43	1.72	1.74	1,180,949	1.855	1.32	1.33	20,025,940
September	2.19	1.74	2.12	936,417	1.67	1.32	1.61	8,918,115
October	2.32	2.00	2.06	894,506	1.78	1.54	1.55	7,501,612
November	2.08	1.58	1.70	1,137,829	1.55	1.17	1.27	11,827,404
December	1.78	1.51	1.52	1,258,257	1.35	1.12	1.13	11,143,108
2017								
January	1.82	1.52	1.66	1,234,389	1.39	1.14	1.26	8,652,686
February	1.67	1.40	1.41	946,093	1.28	1.05	1.05	9,136,083
March	1.45	1.10	1.30	1,490,508	1.08	0.82	0.96	13,747,357
April	1.93	1.30	1.85	1,322,845	1.42	0.94	1.36	17,193,806
May	2.27	1.75	2.14	895,123	1.68	1.26	1.58	12,692,527
June	3.48	2.00	3.08	2,660,000	2.65	1.48	2.35	20,432,779
July (1- 13)	3.08	2.42	2.45	514,979	2.49	1.90	1.94	4,593,042

CONSOLIDATED CAPITALIZATION

The following table sets forth the Corporation's consolidated cash and cash equivalents and capitalization as of March 31, 2017 on an actual basis and on an as adjusted basis to give effect to the sale of the Offered Shares in this Offering (assuming no exercise by the Underwriters of the Over-Allotment Option) and the receipt of the net proceeds therefrom at a public offering price of U.S.$1.50 per Offered Share. This table should be read in conjunction with the Q1 Financial Statements, including the notes thereto and the Q1 MD&A, which have been incorporated by reference into this Prospectus Supplement.

	As at March 31, 2017	
	Actual	**As Adjusted[2]**
	(expressed in thousands of U.S. dollars, except for shares outstanding)	
Cash, cash equivalents and short-term investments[3]	$ 47,701	$ 70,748
Debt:		
Notes payable		
9.0% unsecured subordinated debentures[1]	$ 41,101	$ 41,101
9.0% convertible unsecured notes due 2021[4]	$ 17,298	$ 17,298
Other debt[5]	$ 20,037	$ 20,037
Total debt[6]	$ 78,436	$ 78,436
Shareholders' equity:		
Common Shares[7]	110,213,277	126,913,277
Preferred Shares	Nil	Nil

Notes:

(1) The Cdn$55 million in debentures were issued pursuant to private placements that were completed on September 23, 2011 and June 26, 2014, and mature on September 15, 2017.

(2) As Adjusted reflects the net proceeds of the Offering after deduction of the Underwriters' fee and the estimated expenses of the Offering.

(3) The Corporation estimates expenses payable by it in connection with this Offering, including the Underwriters' fee, will be approximately U.S.$2,003,000.

(4) The convertible unsecured notes were issued pursuant to a private offering and mature on June 1, 2021.

(5) The Corporation has additional debt of U.S.$20.0 million which is primarily held in its European subsidiaries. These loans bear interest at 3 or 6 month Euribor plus a fixed percentage ranging from 0.75% to 3.75%.

(6) Total debt excludes the royalty payable balance of U.S.$22.7 million at March 31, 2017.

(7) 16,700,000 Offered Shares issued at U.S.$1.50 per share.

CERTAIN INCOME TAX CONSIDERATIONS

Certain Canadian Federal Income Tax Considerations

In the opinion of Bennett Jones LLP, Canadian counsel to Westport Fuel Systems, and Stikeman Elliott LLP, Canadian counsel to the Underwriters, the following summary fairly describes the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) and the regulations thereunder (the "**Tax Act**") generally applicable as of the date hereof to a purchaser who acquires Common Shares pursuant to the Offering. This summary is applicable only to a purchaser who, at all relevant times, (i) deals with the Corporation and the Underwriters at arm's length, (ii) is not affiliated with them or us, and (iii) holds his, her or its Common Shares as capital property (a "**Holder**"), all within the meaning of the Tax Act. Common Shares will generally be considered to be capital property to a purchaser provided the purchaser does not hold the shares in the course of carrying on a business of trading or dealing in securities and has not acquired those shares in a transaction considered to be an adventure or concern in the nature of trade.

This summary only applies to Holders who, at all relevant times, are not resident in Canada, and are not deemed to be resident, within the meaning of the Tax Act and who do not use or hold, and are not deemed to use or hold, the Common Shares in connection with carrying on business in Canada ("**Non-Resident Holders**"). Special rules, which are not discussed below, may apply to a non-resident of Canada that is an authorized foreign bank (within the meaning of the Tax Act) or an insurer which carries on business in Canada and elsewhere.

This summary does not apply to a purchaser (i) that is a specified financial institution, (ii) that is a financial institution for purposes of the mark-to-market rules under the Tax Act, (iii) an interest in which is a tax shelter investment, (iv) that has elected under the Tax Act to determine its Canadian tax results in a currency other than Canadian currency, pursuant to the functional currency reporting rules within the meaning of the Tax Act, or (v) that has entered into a derivative forward agreement or a synthetic disposition arrangement with respect to its Common Shares. Such a holder should consult his, her or its own tax advisors with respect to the purchase of Common Shares pursuant to this Offering.

This summary is based on the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), the *Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital*, signed September 26, 1980, as amended (the "**U.S. Treaty**"), all specific proposals to amend the Tax Act or the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof, referred to as the Proposed Amendments, and counsels' understanding of the current published administrative and assessing practices and policies of the Canada Revenue Agency. This summary assumes that the Proposed Amendments will be enacted in the form proposed and does not take into account or anticipate any other changes in law or administrative policy, whether by way of judicial, legislative or governmental decision or action, nor does it take into account provincial, territorial or non-Canadian tax legislation or considerations, which may differ significantly from the tax considerations discussed in this summary. No assurance can be given that the Proposed Amendments will be enacted in the form proposed or at all, or that legislative, judicial or administrative changes will not modify or change the statements expressed in this summary.

This summary is of a general nature and is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Common Shares. The tax consequences of acquiring, holding and disposing of Common Shares will vary according to the purchaser's own particular circumstances. This summary is not intended to constitute legal or tax advice to any particular purchaser. Prospective purchasers should obtain independent advice from their own tax advisors regarding the tax considerations applicable to investing in Common Shares based on their own particular circumstances.

For the purposes of the Tax Act, all amounts relating to the acquisition, holding and disposition of the Common Shares (including dividends, adjusted cost base and proceeds of disposition) must be expressed in Canadian dollars. Amounts denominated in United States dollars must be converted into Canadian dollars using the Bank of Canada rate on the day on which the amount first arose or such other rate of exchange as is acceptable to the Minister of National Revenue.

Taxation of Non-Resident Holders

Amounts paid or credited to a Non-Resident Holder as dividends or deemed dividends on the Common Shares are subject to withholding tax at a rate of 25%, subject to reduction of such rate under an applicable tax treaty between Canada and the Non-Resident Holder's country of residence. The rate of withholding tax on dividends is generally reduced to 15% under the U.S. Treaty if the beneficial owner of the dividends is resident in the United States for purposes of the U.S. Treaty and entitled to such reduction pursuant to the limitation on benefits article of the U.S. Treaty.

A Non-Resident Holder will generally not be subject to tax on a capital gain realized on the disposition of a Common Share unless, at the time of disposition, the Common Share constitutes taxable Canadian property to the Holder. A Common Share that is listed on a designated stock exchange (which includes the TSX and NASDAQ) at the time it is disposed of, will generally not constitute taxable Canadian property to a Non-Resident Holder unless, at the time it is disposed of or at any time in the prior 60 months (i) more than 50% of the fair market value of the share was derived directly or indirectly from one or any combination of Canadian real property, Canadian resource property, Canadian timber resource property or an option or interest in respect of such property and (ii) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm's length (within the meaning of the Tax Act), or the Non-Resident Holder together with such persons, owned 25% or more of the issued shares of any class or series of the Corporation's capital stock.

If a Common Share is taxable Canadian property, a Non-Resident Holder who disposes of the Common Share will generally be subject to tax on one half of any capital gain realized on the disposition of a Common Share. However, no tax under the Tax Act may be payable on a capital gain realized on the disposition if the Non-Resident Holder is entitled to the benefit of the relieving provisions of a tax treaty between Canada and the Non-Resident Holder's country of residence. Under the U.S. Treaty, subject to the limitation on benefits article, a disposition of Common Shares by a U.S. resident (other than certain former residents of Canada who owned such shares at the time they ceased to be resident in Canada) will generally not be subject to Canadian capital gains tax provided that, at the time of disposition, the value of such shares is not derived principally from real property situated in Canada, within the meaning of the U.S. Treaty. A Non-Resident Holder who disposes of Common Shares that are taxable Canadian property should contact their own tax advisor with respect to the specific consequences applicable in their particular circumstances.

Certain U.S. Federal Income Tax Considerations for U.S. Holders

The following is a summary of certain anticipated U.S. federal income tax consequences to a U.S. Holder (as defined below) arising from and relating to the acquisition, ownership, and disposition of Common Shares acquired pursuant to the Offering. This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax consequences that may apply to a U.S. Holder as a result of the acquisition, ownership, and disposition of Common Shares. This summary applies only to U.S. Holders that hold Common Shares as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"). In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Common Shares. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. Each prospective investor in Common Shares should consult its own financial advisor, legal counsel, or accountant regarding the U.S. federal, U.S. state and local, and foreign tax consequences of the acquisition, ownership, and disposition of Common Shares.

No ruling from the U.S. Internal Revenue Service (the "**IRS**"), has been requested, or is expected to be obtained, regarding the U.S. federal income tax consequences to U.S. Holders of the acquisition, ownership, or disposition of the Common Shares. Because the authorities on which this summary is based are subject to various interpretations, the IRS could successfully challenge one or more of the positions taken in this summary.

Scope of this Summary

Authorities

This summary is based on the Code, U.S. Treasury regulations promulgated thereunder (whether final or temporary), published rulings of the IRS, published administrative positions of the IRS, the U.S. Treaty, and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date of this Prospectus Supplement. Any of the authorities on which this summary is based are subject to varying interpretations and could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive basis. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive basis.

U.S. Holders

For purposes of this summary, a "U.S. Holder" is a beneficial owner of Common Shares that, for U.S. federal income tax purposes, is (a) an individual who is a citizen or resident of the United States, (b) a corporation, or any other entity classified as a corporation for U.S. federal income tax purposes, that is created or organized in or under the laws of the United States or any state thereof, or the District of Columbia, (c) an estate if the income of such estate is subject to U.S. federal income tax regardless of the source of such income, or (d) a trust if (i) such trust has validly elected to be treated as a U.S. person for U.S. federal income tax purposes or (ii) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of such trust.

Non-U.S. Holders

For purposes of this summary, a "non-U.S. Holder" is a beneficial owner of Common Shares that is neither a U.S. Holder nor an entity or arrangement that is classified as a partnership, (or "pass-through" entity) for U.S. federal income tax purposes. This summary does not address the tax consequences of the acquisition, ownership, and disposition of Common Shares to non-U.S. Holders. Accordingly, a non-U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the U.S. federal, U.S. state and local, non-U.S., and other tax consequences (including the potential application of and operation of any tax treaties) of the acquisition, ownership, and disposition of Common Shares.

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Common Shares to U.S. Holders that are subject to special provisions under the Code, including the following U.S. Holders: (a) U.S. Holders that are tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) U.S. Holders that are banks, financial institutions, insurance companies, real estate investment trusts, mutual funds, small business investment companies, S corporations or regulated investment companies; (c) U.S. Holders that are dealers in securities or currencies or U.S. Holders that are traders in securities that elect to apply a mark-to-market accounting method; (d) U.S. Holders that have a "functional currency" other than the U.S. dollar; (e) U.S. Holders that are liable for the alternative minimum tax under the Code; (f) U.S. Holders that own Common Shares as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (g) U.S. Holders that acquired Common Shares other than in connection with this Offering; (h) U.S. Holders that hold Common Shares other than as a capital asset within the meaning of Section 1221 of the Code; (i) U.S. expatriates or former long-term residents of the United States or entities subject to the U.S. anti-inversion rules; (j) U.S. Holders that are residents of Canada for tax purposes or otherwise have a taxable connection therewith; (k) U.S. Holders that own (directly, indirectly, or by attribution) 10% or more, by voting power or value, of the outstanding shares of the Corporation; and (l) U.S. Holders that hold their Common Shares through a non-U.S. financial institution or arrangement. U.S. Holders that are subject to special provisions under the Code, including U.S. Holders described immediately above, should consult their own financial advisor, legal counsel or accountant regarding the U.S. federal income, U.S. state and local, and foreign tax consequences of the acquisition, ownership, and disposition of Common Shares.

If an entity or arrangement that is treated as a partnership (or "pass-through" entity) for U.S. federal income tax purposes holds Common Shares, the U.S. federal income tax consequences to such partnership (or "pass-through"

entity) and the partners of such partnership (or owners of such "pass-through" entity) generally will depend on the activities of the partners (or owners) and the partnership (or "pass-through" entity) and the status of such partners (or owners). Entities that are treated as partnerships (or "pass-through" entities) for U.S. federal income tax purposes and partners of such partnerships (or owners of such "pass-through" entities) should consult their own financial advisor, legal counsel or accountant regarding the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Common Shares.

Tax Consequences Other than U.S. Federal Income Tax Consequences Not Addressed

This summary does not address any tax consequences to U.S. Holders of the acquisition, ownership, and disposition of Common Shares that may arise under any laws other than U.S. federal income tax laws, including tax consequences under U.S. state and local tax laws, U.S. federal estate and gift tax laws, U.S. alternative minimum tax laws, other U.S. non-income tax laws and non-U.S. tax laws. Each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the U.S. state and local tax, U.S. federal estate and gift tax, U.S. alternative minimum tax, other U.S. non-income tax, non-U.S. tax, and other tax consequences of the acquisition, ownership, and disposition of Common Shares.

U.S. Federal Income Tax Consequences of the Acquisition, Ownership, and Disposition of Common Shares

Distributions on Common Shares

General Taxation of Distributions

Subject to the discussion below under "– Passive Foreign Investment Company," a U.S. Holder that receives a distribution, including a constructive distribution but excluding certain pro rata distributions of Common Shares, with respect to the Common Shares will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current or accumulated "earnings and profits" of the Corporation, as determined for U.S. federal income tax purposes. To the extent that a distribution exceeds the current and accumulated "earnings and profits" of the Corporation, such distribution generally will be treated (a) first, as a tax-free return of capital to the extent of a U.S. Holder's tax basis in the Common Shares (thereby reducing the U.S. Holder's tax basis in the Common Shares) and, (b) thereafter, as gain from the sale or exchange of such Common Shares. (See more detailed discussion at "– Disposition of Common Shares" below). If a U.S. Holder has different bases in different Common Shares (or blocks of Common Shares), more complicated rules apply and such a U.S. Holder should consult its own financial advisor, legal counsel, or accountant. The U.S. federal income tax consequences described above apply whether or not such distributions are treated as a return of capital for non-tax purposes. The Corporation, however, may not calculate earnings and profits in accordance with U.S. tax principles. In that case, the Corporation intends to treat the full amount of any distribution by the Corporation to U.S. Holders as a dividend for U.S. federal income tax purposes. The amount of any distribution other than cash will be the fair market value of such property on the date of the distribution by the Corporation. U.S. Holders of the Common Shares that are corporations generally will not be entitled to claim a "dividends received deduction" with respect to dividends paid on the Common Shares.

Reduced Tax Rates for Certain Dividends

Dividends paid by the Corporation generally will be taxed at the preferential tax rates applicable to long-term capital gain of non-corporate taxpayers if (a) the Corporation is eligible for the benefits of the U.S. Treaty or the dividends are paid by the Corporation with respect to stock that is readily tradable on an established securities market in the United States (including NASDAQ), (b) the U.S. Holder receiving such dividends is an individual, estate, or trust, and (c) such dividends are paid on Common Shares that have been held by such U.S. Holder for at least 61 days during the 121-day period beginning 60 days before the "ex-dividend date." However, even if the dividends satisfy these requirements, the dividends will not be eligible for taxation at the preferential tax rates applicable to long-term capital gain of non-corporate taxpayers if the Corporation is a "passive foreign investment corporation" or PFIC for the taxable year during which the Corporation pays a dividend or for the preceding taxable year.

If the requirements of the immediately preceding paragraph are not satisfied, a dividend paid by the Corporation to a U.S. Holder, including a U.S. Holder that is an individual, estate, or trust, generally will be taxed at ordinary income tax rates (and not at the preferential tax rates applicable to long-term capital gains).

The dividend rules are complex, and each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the dividend rules.

Distributions Paid in Foreign Currency

The amount of a distribution paid to a U.S. Holder in non-U.S. currency generally will be equal to the U.S. dollar value of such distribution based on the exchange rate applicable on the date of actual or constructive receipt. A U.S. Holder that does not convert non-U.S. currency received as a distribution into U.S. dollars on the date of receipt generally will have a tax basis in such non-U.S. currency equal to the U.S. dollar value of such non-U.S. currency on the date of receipt. Such a U.S. Holder generally will recognize U.S. source ordinary income or loss on the subsequent sale or other taxable disposition of such non-U.S. currency (including an exchange for U.S. dollars). U.S. Holders should consult their own tax advisors regarding the tax consequences to them if the Corporation pays dividends in currency other than U.S. dollars.

Disposition of Common Shares

Subject to the discussion below under "– Passive Foreign Investment Company," a U.S. Holder generally will recognize gain or loss on the sale, exchange, or other taxable disposition of Common Shares in an amount equal to the difference, if any, between (a) the amount of cash plus the fair market value of any property received and (b) such U.S. Holder's tax basis in the Common Shares sold or otherwise disposed of. Any such gain or loss generally will be capital gain or loss, which will be long-term capital gain or loss if the Common Shares are held for more than one year. Gain or loss recognized by a U.S. Holder on the sale or other taxable disposition of Common Shares generally will be treated as "U.S. source" for purposes of applying the U.S. foreign tax credit rules. (See more detailed discussion at "Foreign Tax Credit" below).

Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

In certain circumstances, amounts received by a U.S. Holder upon the redemption of Common Shares may be treated as a distribution with respect to Common Shares, rather than as a payment in exchange for Common Shares that results in the recognition of capital gain or loss, as described above. In these circumstances, the redemption payment would be included in gross income as a dividend to the extent that such payment is made out of the Corporation's "earnings and profits" (for a discussion regarding the U.S. federal income tax treatment of distributions with respect to Common Shares, see "Distributions on Common Shares" above). The determination of whether a redemption of Common Shares will be treated as a distribution with respect to Common Shares, rather than as a payment in exchange for Common Shares, will depend on whether and to what extent the redemption reduces the U.S. Holder's percentage ownership in the Corporation. The rules applicable to redemptions are complex, and each U.S. Holder should consult its own financial advisor, legal counsel or accountant to determine whether in the U.S. Holder's own particular case a redemption of Common Shares will be treated as a distribution with respect to Common Shares or as a payment in exchange for the Common Shares.

Foreign Tax Credit

A U.S. Holder that pays (whether directly or through withholding) Canadian income tax with respect to dividends paid on the Common Shares generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax paid. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign

source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source." In addition, this limitation is calculated separately with respect to specific categories of income. Dividends paid by the Corporation generally will constitute "foreign source" income and generally will be categorized as "passive category income." The foreign tax credit rules are extremely complex, and each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the foreign tax credit rules.

Passive Foreign Investment Company

If the Corporation is a PFIC in any taxable year during which a U.S. Holder owns Common Shares, special, and generally unfavorable, rules will be applicable to such U.S. Holder, some of which could impact the consequences described above. A non-U.S. corporation generally will be considered a PFIC for any taxable year if either (1) at least 75% of its gross income is passive income or (2) at least 50% of the value of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce or are held for the production of passive income. Based in part on current operations and financial projections, the Corporation does not expect to be classified as a PFIC for the current taxable year or in the foreseeable future. However, the determination of whether or not the Corporation is a PFIC is made on an annual basis and is based on the types of income the Corporation earns and the types and value of the Corporation's assets from time to time, all of which are subject to change. Additionally, the analysis depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. Furthermore, whether the Corporation will be a PFIC for the current taxable year and each subsequent taxable year depends on its assets and income over the course of each such taxable year and, as a result, cannot be predicted with certainty as of the date of this Prospectus Supplement. Accordingly, there can be no assurance that the IRS will not challenge the determination made by the Corporation concerning its PFIC status or that the Corporation will not be a PFIC for any taxable year. If the Corporation were a PFIC in any year during which a U.S. Holder owns Common Shares, such U.S. Holder generally would be subject to additional taxes (including additional taxes attributable to the treatment of certain gains as ordinary income rather than capital gains) on any "excess distributions" (generally distributions during a taxable year exceeding 125% of the average amount received during the three preceding taxable years or, if shorter, the taxpayer's holding period) and on any gain realized from the sale or other disposition of Common Shares (regardless of whether the Corporation continued to be a PFIC). In addition, distributions on the Common Shares would not be eligible for the preferential tax rate applicable to long-term capital gain of non-corporate taxpayers. A U.S. Holder may be eligible to make a mark-to-market election that would cause the tax consequences to an electing U.S. Holder to differ from those described above. The PFIC rules are extremely complex, and each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the PFIC rules.

Information Reporting; Backup Withholding Tax

Payments made within the U.S., or by a U.S. payor or U.S. middleman, of dividends on, or proceeds arising from the sale or other taxable disposition of, Common Shares may be subject to information reporting and backup withholding tax at a rate of 28% if a U.S. Holder (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on IRS Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report interest or dividends, (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax, or (e) otherwise fails to comply with, or establish an exemption from, applicable backup withholding tax requirements. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder timely furnishes required information to the IRS. Each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the information reporting and backup withholding tax rules.

3.8% Surtax and Specified Foreign Financial Asset Disclosure

Certain U.S. Holders who are individuals, estates or trusts are required to pay a 3.8% tax on, among other things, dividends and capital gains from the sale or other taxable disposition of the Common Shares, subject to certain limitations and exceptions. In addition, the *Hiring Incentives to Restore Employment Act* requires certain U.S. Holders who are individuals to report information relating to an interest in the Common Shares, subject to certain exceptions (including an exception for Common Shares held in accounts maintained by certain financial

institutions). U.S. Holders are urged to consult their tax advisors regarding the effect, if any, of these rules on their ownership and disposition of the Common Shares.

PLAN OF DISTRIBUTION

The Offering consists of 16,700,000 Offered Shares at the Offering Price of U.S.$1.50 per Offered Share and up to an additional 2,505,000 Offered Shares at the Offering Price if the Underwriters exercise the Over-Allotment Option in full. The Offered Shares will be issued on the Closing Date pursuant to the Underwriting Agreement (as defined below).

Under an underwriting agreement (the "**Underwriting Agreement**") dated as of July 14, 2017 between Westport Fuel Systems and the Underwriters, the Corporation has agreed to sell an aggregate of 16,700,000 Offered Shares to the Underwriters, and the Underwriters have severally (and not jointly or jointly and severally) agreed to purchase, as principal, such Offered Shares at the Offering Price of U.S.$1.50 per Offered Share, payable in cash to Westport Fuel Systems against delivery of the Offered Shares on the Closing Date. The Underwriting Agreement provides that, in consideration of the services of the Underwriters in connection with the Offering, the Corporation will pay the Underwriters a fee of approximately U.S.$0.09 per Offered Share issued and sold as part of the Offering, for an aggregate fee payable of U.S.$1,503,000 (assuming the Over-Allotment Option is not exercised). The Underwriters' fee in respect of the Offering is payable on the Closing Date.

The Corporation has granted to the Underwriters the Over-Allotment Option to purchase up to an additional 2,505,000 Offered Shares on the same terms and conditions as the Offering, exercisable in whole or in part at any time prior to 5:00 p.m. (New York City time) on the 30th day following the Closing Date solely for the purpose of covering over-allotments that exist on the Closing Date, if any and for market stabilization purposes. A purchaser who acquires Offered Shares forming part of the Underwriters' over-allocation position acquires those Offered Shares under this Prospectus Supplement, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or through secondary market purchases. If the Underwriters exercise the Over-Allotment Option in full, the total price to the public, Underwriters' fee and net proceeds to Westport Fuel Systems, before deducting expenses of the Offering, will be U.S.$28,807,500, U.S.$1,728,450 and U.S.$27,079,050, respectively. This Prospectus Supplement qualifies the issuance of Offered Shares upon exercise of the Over-Allotment Option.

The terms of the Offering, including the Offering Price, were established through negotiation between Westport Fuel Systems and the Lead Underwriter, on its own behalf and on behalf of the other Underwriters. The obligations of the Underwriters under the Underwriting Agreement are several (and not joint or joint and several), and may be terminated upon the occurrence of certain stated events. Such events include, but are not limited to, (a) there has occurred any material adverse change in the securities markets or any event, act or occurrence that has materially disrupted, or in the opinion of the Lead Underwriter, will in the future materially disrupt, the securities markets or there shall be such a material adverse change in general financial, political or economic conditions or the effect of international conditions on the financial markets in the United States or Canada is such as to make it, in the judgment of the Lead Underwriter, inadvisable or impracticable to market the Offered Shares or enforce contracts for the sale of the Offered Shares; (b) there has occurred any outbreak or material escalation of hostilities or acts of terrorism or other calamity or crisis the effect of which on the financial markets of the United States or Canada is such as to make it, in the judgment of the Lead Underwriter, inadvisable or impracticable to market the Offered Shares or enforce contracts for the sale of the Offered Shares; (c) trading in the Offered Shares or any securities of the Corporation has been suspended or materially limited or trading generally on the New York Stock Exchange, Inc., NASDAQ or the TSX has been suspended or materially limited, or minimum or maximum ranges for prices for securities shall have been fixed, or maximum ranges for prices for securities have been required, by any of said exchanges or by such system or by order of the SEC, the Canadian securities commissions, Financial Industry Regulatory Authority, or any other governmental or regulatory authority; (d) a banking moratorium has been declared by any state or federal authority or the applicable authorities of any of the provinces of Canada (other than Quebec); or (e) in the judgment of the Lead Underwriter, there has been, since the time of execution of the Underwriting Agreement or since the respective dates as of which information is given in the Prospectus Supplement, any material adverse change in the assets, properties, condition, financial or otherwise, or in the results of operations, business affairs or business prospects of the Corporation and its subsidiaries considered as a whole, whether or not arising in the ordinary course of business. If an Underwriter fails to purchase the Offered Shares which it has agreed to purchase, the remaining Underwriter(s) may, but are not obligated to, purchase such Offered

Shares, provided that if the number of Offered Shares that a defaulting Underwriter(s) agreed but failed to purchase is less than or equal to 10% of the aggregate number of Offered Shares agreed to be purchased by the Underwriters, then the other Underwriters are severally obligated to purchase the Offered Shares which the defaulting Underwriter or Underwriters failed to purchase, on a *pro rata* basis or as they may otherwise agree between themselves. If the aggregate amount of Offered Shares not purchased is greater than 10% of the aggregate number of Offered Shares agreed to be purchased by the Underwriters, then each of the Underwriters shall be relieved of its obligations to purchase its respective percentage of the Offered Shares, subject to the terms and conditions of the Underwriting Agreement**.** The Underwriters are, however, obligated to take up and pay for all of the Offered Shares if any of the Offered Shares are purchased under the Underwriting Agreement, but are not obligated to take up and pay for any Common Shares under the Over-Allotment Option. The Underwriting Agreement also provides that the Corporation will indemnify the Underwriters and their respective directors, officers, affiliates, employees, and each person who controls any Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against certain liabilities, claims, demands, losses, costs, damages and expenses.

The Underwriters are offering the Offered Shares, subject to prior sale, if, as and when issued to and accepted by them, subject to certain conditions contained in the Underwriting Agreement.

The Offering Price of the Offered Shares will be payable in U.S. dollars, unless the Underwriters otherwise agree. All of the proceeds of the Offering will be paid to Westport Fuel Systems by the Underwriters in U.S. dollars based on the U.S. dollar Offering Price. The Underwriters propose to offer the Offered Shares initially at the Offering Price. After a reasonable effort has been made to sell all of the Offered Shares at the Offering Price, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Offered Shares remaining unsold. Any such reduction will not affect the net proceeds received by the Corporation pursuant to the Offering. In the event the Offering Price of the Offered Shares is reduced, the compensation received by the Underwriters will be decreased by the amount by which the aggregate price paid by the purchasers for the Offered Shares is less than the gross proceeds paid to the Corporation by the Underwriters for the Offered Shares.

Subscriptions for Offered Shares will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice.

The Common Shares are listed and posted for trading on the TSX under the trading symbol "WPRT" and on the NASDAQ under the trading symbol "WPRT". The Corporation has applied to the TSX and NASDAQ for the additional listing of the Offered Shares (including the Common Shares to be issued upon exercise of the Over-Allotment Option). Listing of the Offered Shares will be subject to the Corporation's fulfillment of all of the listing requirements of the TSX and NASDAQ. There can be no assurance that the Offered Shares will be accepted for listing on the TSX or NASDAQ.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Common Shares. The policy statements allow certain exceptions to the foregoing prohibitions. The Underwriters may only avail themselves of such exceptions on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces of the Investment Industry Regulatory Organization of Canada, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection with the Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

Until the distribution of Offered Shares is completed, SEC rules may limit the Underwriters from bidding for and purchasing Common Shares. The Corporation has been advised by the Underwriters that, in connection with the Offering, the Underwriters may effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those that might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. If the Underwriters create a short position in the Common Shares in connection with the Offering (i.e. if they sell more Offered Shares than are listed on the cover of this Prospectus Supplement), the Underwriters may reduce that short position by purchasing Common Shares in the open market. The Underwriters may also elect to reduce any short position by exercising all or part of the Over-Allotment Option described above.

Purchases of Common Shares to stabilize the price or to reduce a short position may cause the price of the Common Shares to be higher than it might be otherwise be in the absence of such purchases. No representation is made as to the magnitude or effect of such stabilization or other activities. The Underwriters are not required to engage in these activities.

Pursuant to the Underwriting Agreement, Westport Fuel Systems has agreed, subject to certain exceptions, not to directly or indirectly, offer, sell or issue for sale or resale, as the case may be, or publicly announce the issue or sale or intended issue or sale of, any Common Shares, or financial instruments or securities convertible or exchangeable into Common Shares, or publicly announce its intention to do so or file a prospectus or registration statement in respect thereof, for a period from the date of the Underwriting Agreement until 90 days following closing of the Offering without the prior written consent of the Lead Underwriter on behalf of the Underwriters, which consent will not be unreasonably withheld; provided that, Westport Fuel Systems shall not be prevented or restricted from issuing or agreeing to issue any of its Common Shares or securities or other financial instruments convertible into or having the right to acquire its Common Shares pursuant to Westport's Omnibus Plan.

The Offered Shares will be offered in the U.S. through the Underwriters. The Offering is being made in the U.S. pursuant to the MJDS. The Offered Shares are not being offered or sold, directly or indirectly, in Canada or to any person resident in Canada and there has not been any advertisement or solicitation in furtherance of the offering of the Offered Shares in Canada. Offers may also be made on a private placement basis where permitted by applicable law. No Offered Shares will be offered or sold in any jurisdiction except by or through brokers or dealers duly registered under the applicable securities laws of that jurisdiction, or in circumstances where an exemption from such registered dealer requirements is available.

In connection with the sale of the Offered Shares, the Underwriters may receive compensation from Westport Fuel Systems or from purchasers of the Offered Shares for whom they may act as agents in the form of concessions or commissions. Underwriters, dealers and agents that participate in the distribution of the Offered Shares may be deemed to be underwriters and any commissions received by them from the Corporation and any profit on the resale of Offered Shares by them may be deemed to be underwriting commissions under the Securities Act.

It is expected that the Corporation will arrange for the deposit of the Offered Shares distributed under this Prospectus Supplement under the book-based system of registration, to be registered to CDS and deposited with CDS on the Closing Date. No certificates evidencing the Offered Shares will be issued to purchasers of the Offered Shares. Purchasers of Offered Shares will receive only a customer confirmation from the Underwriters or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Offered Shares is purchased.

Neither Westport Fuel Systems nor the Underwriters will assume any liability for: (a) any aspect of the records relating to the beneficial ownership of the Offered Shares held by CDS or the payments relating thereto; (b) maintaining, supervising or reviewing any records relating to the Offered Shares; or (c) any advice or representation made by or with respect to CDS and those contained in this Prospectus Supplement and relating to the rules governing CDS or any action to be taken by CDS or at the direction of its CDS participants. The rules governing CDS provide that it acts as the agent and depository for the CDS participants. As a result, CDS participants must look solely to CDS and persons, other than CDS participants, having an interest in the Offered Shares must look solely to CDS participants for payments made by or on behalf of Westport Fuel Systems to CDS in respect of the Offered Shares.

In compliance with the guidelines of the U.S. Financial Industry Regulatory Authority, Inc. ("**FINRA**"), the maximum discount or commission to be received by any FINRA member or independent broker-dealer may not exceed 8% of the aggregate gross sales proceeds of any Offered Shares offered hereby.

Certain of the Underwriters and their affiliates have provided in the past to the Corporation and its affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for the Corporation and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the Underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in the Corporation's debt or equity securities or loans, and may do so in the future.

Each of the executive officers and directors of the Corporation have entered into lock-up agreements with the Lead Underwriter which restrict the shareholder's right to have any security owned by such holder included in the Registration Statement or to demand registration of any security owned by such holder for a period of 90 days after the date of the Underwriting Agreement.

Executive officers and directors of the Corporation intend to purchase Common Shares for aggregate gross proceeds of up to U.S.$490,000 pursuant to the Offering or any concurrent private placement, subject to receipt of any applicable regulatory approvals and in accordance with applicable laws.

Electronic Distribution

A Prospectus Supplement in electronic format may be made available on Internet sites or through other online services maintained by the Underwriters in the Offering, or by their affiliates. In those cases, and subject to applicable laws, prospective investors in the U.S. may view offering terms online and prospective investors in the U.S. may be allowed to place orders online. The Underwriters may agree with the Corporation to allocate a specific number of Offered Shares for sale to online brokerage account holders. Any such allocation for online distributions will be made by the Underwriters on the same basis as the other allocations.

Other than the Prospectus Supplement in electronic format, the information on the Underwriters' web site and any information contained in any other web site maintained by the Underwriters or any selling group member is not part of or incorporated by reference into this Prospectus Supplement, the Prospectus or the registration statement of which this Prospectus Supplement and the accompanying Prospectus forms a part and has not been approved and/or endorsed by the Corporation or the Underwriters in their capacity as underwriters and should not be relied upon by investors.

Selling Restrictions

Each of the Underwriters has represented and agreed that it has not and will not offer, sell or deliver any of the Offered Shares, directly or indirectly, or distribute this Prospectus Supplement or the accompanying Prospectus or any other offering material relating to the Offered Shares, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations thereof and in a manner that will not impose any obligation on us, except as set forth in the Underwriting Agreement.

Notice to Prospective Investors in the European Economic Area

This Prospectus Supplement has been prepared on the basis that any offer of Offered Shares in any member state (the "**Member States**" and each a "**Member State**") of the European Economic Area will be made pursuant to an exemption under the Prospectus Directive (as defined below) from the requirement to produce or publish a prospectus for offers of Offered Shares. Accordingly, any person making or intending to make any offer in a Member State of Offered Shares which are the subject of the offering contemplated in this Prospectus Supplement may only do so in circumstances in which no obligation arises for the Corporation or any of the Underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Corporation or the Underwriters have authorized, nor do the Corporation or the Underwriters authorize, the making of any offer of Offered Shares in circumstances in which an obligation arises for the Corporation or the Underwriters to publish a prospectus or supplement a prospectus for such offer. Neither the Corporation or the Underwriters have authorized, nor do the Corporation or the Underwriters authorize, the making of any offer of Offered Shares through any financial intermediary, other than offers made by the Underwriters, which constitute the final placement of the Offered Shares contemplated in this Prospectus Supplement.

In relation to each Member State of the European Economic Area, each Underwriter has represented and agreed, and each further underwriter appointed under the Offering will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive was implemented in that Member State (the "**Relevant Implementation Date**"), it has not made and will not make an offer of any Offered Shares which are the subject of the offering contemplated by this Prospectus Supplement to the public in that Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Offered Shares to the public in that Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Underwriters for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Offered Shares shall result in a requirement for the publication by the Corporation or any Underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive or of a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Offered Shares to the public" in relation to any Offered Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Offered Shares to be offered so as to enable an investor to decide to purchase or subscribe to the Offered Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC (as amended), and includes any relevant implementing measure in the Member State.

Each subscriber for the Offered Shares located within a Member State will be deemed to have represented, acknowledged and agreed that it is a qualified investor within the meaning of Article 2(1)(e) of the Prospectus Directive.

Notice to Prospective Investors in the United Kingdom

This document is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Financial Promotion Order**"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (including the Financial Services Act of 2012) (the "**FSMA**")) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

Each Underwriter, on behalf of itself and each of its affiliates, has represented and agreed, and each further Underwriter appointed under the Offering will be required to represent and agree, that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of the FSMA received by it in connection with the issue or sale of the Offered Shares in circumstances in which Section 21(1) of the FSMA does not apply to Westport Fuel Systems; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offered Shares in, from or otherwise involving the United Kingdom.

LEGAL MATTERS

Certain legal matters relating to the Offering and to the Offered Shares to be distributed pursuant to this Prospectus Supplement will be reviewed on the Corporation's behalf by Bennett Jones LLP and Willkie Farr & Gallagher LLP and on behalf of the Underwriters by Stikeman Elliott LLP and Greenberg Traurig, LLP.

As at the date hereof, the partners and associates of Bennett Jones LLP and Stikeman Elliott LLP, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Westport Fuel Systems' auditors are KPMG LLP, Chartered Professional Accountants, PO Box 10426, 777 Dunsmuir Street, Vancouver, British Columbia V7Y 1K3. The Corporation's financial statements for the years ended December 31, 2016 and 2015, incorporated by reference into the Prospectus have been audited by KPMG LLP, an independent registered public accounting firm, as indicated in their report dated March 31, 2017, and are incorporated into the Prospectus in reliance upon the authority of said firm as experts in accounting and auditing. KPMG LLP has advised the Corporation that they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia and in accordance with the applicable rules and regulations of the SEC and the Public Company Accounting Oversight Board (United States).

The Corporation's financial statements for the year ended December 31, 2014 (before the effects of the adjustments to retrospectively apply the change in accounting discussed in Note 8(a) to the consolidated financial statements) (not separately presented herein), incorporated by reference in the Prospectus have been audited by Deloitte LLP, an independent registered public accounting firm, as stated in their report dated March 9, 2015 (October 15, 2015 as to the change in reportable segments discussed in Note 22 to the consolidated financial statements), which is also incorporated into the Prospectus by reference. The retrospective adjustments to the 2014 financial statements have been audited by KPMG LLP. The 2014 financial statements are incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing. Deloitte LLP were independent with respect to the Corporation as of March 9, 2015 (October 15, 2015 as to the change in reportable segments discussed in Note 22 to the 2016 financial statements), and throughout the period covered by the financial statements of the Company on which they reported, within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia and within the meaning of the Securities Act of 1933, as amended and the applicable rules and regulations thereunder adopted by the SEC and the Public Company Accounting Oversight Board (United States).

The audited historical financial statements of Fuel Systems Solutions, Inc. as of December 31, 2015 and December 31, 2014 and for the three years ended December 31, 2015 included in the Corporation’s Business Acquisition Report dated August 12, 2016 as amended on July 13, 2017 have been so incorporated in reliance on the report, which contains an explanatory paragraph that Fuel Systems Solutions, Inc. has significant transactions with related parties, of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting. PricewaterhouseCoopers LLP has advised the Corporation that they were independent with respect to Fuel Systems Solutions, Inc. at the date of their report within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia and in accordance with the applicable rules and regulations of the SEC and the Public Company Accounting Oversight Board (United States).

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada at its principal offices in the cities of Vancouver, British Columbia, Calgary, Alberta and Toronto, Ontario.

DOCUMENTS FILED AS PART OF THE REGISTRATION STATEMENT

The documents referred to under "Documents Incorporated by Reference" in this Prospectus Supplement and the Underwriting Agreement have been or will be filed with the SEC as part of the registration statement to which this Prospectus Supplement and the Prospectus relate.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus, the accompanying prospectus supplement relating to securities purchased by a purchaser and any amendment thereto. The securities legislation further provides a purchaser with remedies for rescission, revisions of the price or damages if the prospectus, the accompanying prospectus supplement relating to securities purchased by a purchaser or any amendment contains a misrepresentation or are not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation in the purchaser's province. The purchaser should refer to any

applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

Westport™
Fuel Systems