



14 December 2011

China New Energy Limited
(“CNE” or the “Company” or the “Group”)

ISSUE OF EQUITY

China New Energy Limited (AIM: CNEL), the engineering and technology solutions provider to the bioenergy sector, is pleased to announce that, through SVS Securities plc, it has today placed 6,000,000 new ordinary shares of 0.025p each ("Ordinary Shares") at a price of 5 pence per share, raising gross proceeds of £300,000 for the Company (the "Placing"), which will be used for general working capital purposes.

Application has been made for the 6,000,000 new ordinary shares to be admitted to trading on AIM on or around 19 December 2011. Following this issue of equity, the Company's issued ordinary share capital will be 310,616,862 ordinary shares of 0.025p. The new ordinary shares will rank pari passu with the existing ordinary shares.

In addition, the Company is also pleased to announce that, pursuant to a Share Subscription Agreement dated 12 December 2011, The Oriental Petroleum & Chemical Equipment Co., Limited, an Asian based business associate of the Company, will subscribe for 3,571,429 Ordinary Shares at 7 pence per share, raising a further £250,000. The new ordinary shares will be issued when duly paid, which is expected to be on or around 15 January 2012, and will rank pari passu in all respects with the existing ordinary share. A further announcement will be made once the issue of equity has occurred.

In accordance with the Financial Services Authority's Disclosure and Transparency Rules, the Company hereby announces that it has 310,616,862 ordinary shares of 0.025p each in issue, each share carrying the right to one vote. The Company does not hold any ordinary shares in treasury.

The above figure of 310,616,862 ordinary shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Services Authority's Disclosure and Transparency Rules.

Mr. Weijun Yu, Executive Chairman of CNE, commented, said: "Despite the tough conditions in the capital markets we are pleased to see continued support both here in London and in Asia to help us fund our business going forward in 2012."

Further information is available on the Company's website, www.chinanewenergy.co.uk, or by contacting:

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