

30 October 2013

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

Placing and Issue of Equity

The Board of CNE (AIM:CNEL), the AIM quoted engineering and technology solutions provider to the bioenergy sector, is pleased to announce it has raised £250,000 through the placing of 10,000,000 new ordinary shares, at a price of 2.5p per share, to an institutional shareholder.

The funds raised will be used for working capital and will assist the company in further developing its interests in Nigeria.

Application has today been made for the 10,000,000 new ordinary shares to be admitted to trading on AIM which is expected on or around 4 November 2013. Following this issue of equity, the issued share capital of the Company will be 326,616,862. The new ordinary shares will rank pari passu with the existing ordinary shares.

Mr Yu, Chairman of CNE commented, “I am pleased to complete this placing at yesterday’s average share price to an institutional investor. Whilst the market conditions remain challenging, CNE is making good progress in Africa and on our other stated goals, and I am committed to keeping shareholders better informed about our progress.”

In accordance with the Financial Services Authority's Disclosure and Transparency Rules, the Company hereby announces that it has 326,616,862 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 326,616,862 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.

For further information, please visit www.chinanewenergy.co.uk or contact:

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