

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

Agreement to provide specialist 2nd Cellulosic Generation Biofuel Technology

The Board of CNE (AIM:CNEL), the AIM quoted engineering and technology solutions provider to the bioenergy sector, is pleased to announce that it has entered into an contract with Jilin Province New Tian Long Alcohol Co., Ltd.(“NTLA”) to provide specialist technology and services to assist in building a new, Second Generation, 50,000 tonnes per year biorefinery. NTLA is one of the largest ethanol producers in China and they have chosen CNE as their development partner in a multi-phase contract with the initial contract phase being RMB10m (approx. £1m) to CNE over a 2-year period.

The Directors believe that this is a significant milestone for CNE as the contract will help CNE secure its position as a leader in the commercialisation of Second Generation biorefinery technology. To date, the global biofuel industry is primarily built on First Generation technology which relies on using food feedstocks such as corn, sugarcane and cassava for ethanol production. It is widely recognised that the future direction of the biofuel industry relates to the commercialisation of Second Generation technology which converts cellulosic material, or non-food feedstocks including arable crop by-products such as corn-stover, into ethanol. It is the view of the Company that First Generation biorefineries will continue to be built in areas such as South East Asia and Africa whilst the main growth market for Second Generation biorefinery technology will be in developed markets including China, Brazil, Europe and the USA.

CNE was awarded the contract by NTLA after a lengthy tendering, evaluation and testing process. Phase one of the project will commence in early 2014 and will include the design and supply of key technologies in the cellulosic ethanol production process. NTLA is expected to issue contracts for phase two of the project in the second quarter of 2014 for which CNE will also tender.

Mr Yu, Chairman of CNE commented, “we have invested significant time and resources in the development of our Second Generation biorefinery technology and we are delighted to have won this high-profile contract in China. In a global context, this is the first commercial scale Second Generation biorefinery to be constructed in China and I believe it is second only to Dupont’s Second Generation biorefinery that is under construction in Iowa. We expect this will become a high profile reference project that will help us tender for significant international business.”

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

China New Energy Limited

Richard Bennett

Ivy Xu

www.chinaneenergy.co.uk

rbennett@zkty.com.cn

Tel: +44 20 7148 3148

xuhj@zkty.com.cn

Tel: +86 20 8705 9371

Cairn Financial Advisers LLP (Nomad)

Jo Turner / Liam Murray

Tel: +44 20 7148 7900

SVS Securities plc (Broker)

Tel: +44 20 3700 0100