

25 February 2014

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

Termination of Potential Acquisition

The Board of CNE (AIM:CNEL), the AIM quoted engineering and technology solutions provider to the bioenergy sector, announces that, following results of the due diligence process, the Company will not be progressing further with the acquisition of BAPP Ethanol Holdings Limited.

An announcement made by SDG in relation to this matter can be downloaded from the Hong Kong Stock Exchange's website at www.hkex.com.hk/.

As a result, the Company has requested that trading in its shares is resumed. The Suspension from trading in the Company's shares will be lifted at noon today.

Mr Yu said, “We are very disappointed that discussions have had to terminate, however, findings from the legal and financial due diligence suggested that the transaction was not as first envisaged and would have required the Company raising significant funds.

We remain focused on our core strategy and delivering our existing project pipeline. I am pleased to advise that our EPC business is continuing to pitch for new business and we look forward to updating shareholders shortly.”

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

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