

29 December 2015

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 that it has raised funds of approximately £200,000 by way of a subscription of ordinary shares in the Company.

The Company has issued 13,333,333 ordinary shares representing 3.28 per cent of the enlarged issued share capital, at a price of 1.5p per share. The new ordinary shares have been acquired by a private investor. The additional funds raised will provide the Company with additional working capital to further its initial work needed in Africa and to assist in developing its opportunities in Europe.

Issue of Equity

Application will be made for 13,333,333 new ordinary shares to be admitted to trading on AIM which is expected on or around 5 January 2016. Following this issue of equity, the issued share capital of the Company will be 406,947,541 ordinary shares. The new ordinary shares will rank *pari passu* with the existing ordinary shares.

In accordance with the Financial Conduct Authority's Disclosure and Transparency Rules, the Company hereby announces that it has 406,947,541 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 406,947,541 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 Conduct Authority's Disclosure and Transparency Rules.

Mr Yu, Chairman, commented, "We have recently announced the potential projects in Africa and this investment will assist us with the initial work needed to meet the early project milestones as well as providing additional working capital for our other projects."

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

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