

29 December 2015

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

First Contract in North America

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 signed a contract with BioNeutra North America Inc (“BioNeutra”) to design, manufacture and install a 5,000 ton per isomaltooligosaccharide (“IMO”) production line extension to BioNeutra’s existing facilities.

BioNeutra, based in Edmonton, Canada, is a manufacturer and supplier of Vitafiber™ - IMO which is a high quality, prebiotic, dietary-fibre and low-caloric sweetener product that is marketed to the food industry as a low calorie and soluble prebiotic fibre for human digestive health.

The total value of the contract is CAD \$3.0 million (circa. RMB 14.4 million or £1.45 million). 50 per cent. of the contract value has been received and 95 per cent. of the contract total will be paid by the completion date which is expected to be within six months. The final payment will fall due at the end of a 12 month warranty period, which commences on completion of the project.

Mr Yu, Chairman of CNE commented, “We are pleased to announce our first project in the North American market. In addition to designing and manufacturing the production line, we will also be responsible for onsite installation and training the BioNeutra staff. We therefore see this project as an opportunity to establish a long standing relationship with BioNeutra and to raise the profile of CNE in the North American market and expand our product portfolio. We are excited by the good progress we are making towards our stated goals and I am committed to keeping shareholders well informed about our progress.”

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

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