

20 September 2012

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

**Issue of Equity**

China New Energy Limited (AIM: CNE), the engineering and technology solutions provider to the bioenergy sector, announces that it has today placed 6,000,000 new ordinary shares of 0.025p each ("Ordinary Shares") at a price of 1 pence per share, raising gross proceeds of £60,000 for the Company (the "Placing").

Application has today been made for the 6,000,000 new ordinary shares to be admitted to trading on AIM on or around 25 September 2012. Following this issue of equity, the Company's issued ordinary share capital will be 316,616,862 ordinary shares of 0.025p. The new ordinary shares will rank pari passu with the existing ordinary shares.

For further information please visit [www.chinanewenergy.co.uk](http://www.chinanewenergy.co.uk) or contact:

**China New Energy Limited**

Richard Bennett

Ivy Xu

[www.chinanewenergy.co.uk](http://www.chinanewenergy.co.uk)

Tel: 020 7148 3148

Tel: +86 20 8705 9371

**Cairn Financial Advisers LLP (NOMAD)**

Jo Turner / Liam Murray

Tel: 020 7148 7900

**SVS Securities plc (Joint Broker)**

Alex Matthey / Ian Callaway

Tel: 020 7638 5600

**VSA Capital Limited (Joint Broker)**

Andrew Raca

Tel: 020 3005 5000

**XCAP Securities (Joint Broker)**

Jon Belliss

Tel: 020 7101 7070

**Newgate Threadneedle**

Graham Herring/Terry Garrett/ Alex White

Tel: 020 7653 9850

**About China New Energy Limited**

China New Energy Limited listed on London's AIM Market in May 2011. It is a profitable and growing technology and engineering solutions provider, whose operations are based in China, for bioethanol and biobutanol projects.

Through its wholly owned subsidiary, Guangdong Zhongke Tianyuan New Energy Science and Technology Co. Ltd (“ZKTY”), CNE provides process technology, engineering designs, plant manufacturing and operational services in connection with the production of fuel ethanol, edible ethanol, biobutanol, bioacetic acid and other chemicals from agricultural plant materials and waste. CNE’s activities are principally based in the PRC, however, it also provides services to overseas customers in areas including Romania, Taiwan, Russia, Thailand and Indonesia. Since its formation, ZKTY has advised on more than 90 projects with an aggregate production capacity of approximately 9.0 million tonnes per year.

ZKTY has proprietary and patented bioenergy technology, and maintains its own research and development laboratory to further develop its technology and patent portfolio. ZKTY has received international standards accreditations, including ISO 9001:2000, ISO 9001:2008 and CE marking for part of its equipment.