



23 May 2011

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

Admission to AIM and Placing to raise £655,210

China New Energy Limited, an engineering and technology solutions provider to the bioenergy sector, announces its admission to trading on AIM and the commencement of dealings in its ordinary shares under the ticker symbol CNEL.

The Company has raised £655,210 through the Placing of 9,360,147 new Ordinary Shares at 7p per share. The market capitalisation of the Company at the Placing Price on Admission will be £20.8m. Cairn Financial Advisers LLP is acting as Nominated Adviser in relation to the Admission and SVS Securities plc is acting as Financial Adviser and Broker.

About CNE

CNE is a technology, process and engineering solutions provider for bioethanol and biobutanol projects focusing predominantly on the construction of ethanol production plants. Through its wholly owned subsidiary, Guangdong Zhongke Tianyuan New Energy Science and Technology Co. Ltd (“ZKTY”), the Group 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.

ZKTY provides its services to primary producers and users of bioenergy and the Group’s activities are principally based in China. However, it also provides services to overseas customers in areas including Romania, Taiwan, Russia, Thailand and Indonesia.

ZKTY has an established track record having advised on 88 projects globally with an aggregate production capacity of approximately 9.0 million tonnes per year and a total contract value of approximately RMB1.5 billion. ZKTY has proprietary and patented bioenergy technology, and maintains its own research and development laboratory to further develop its technology and patent portfolio.

Financial Results and Prospects

For the year ended 31 December 2010 (unaudited) CNE made a pre-tax profit of RMB 24 million (c. £2.3m) from revenues of RMB 138 million (c. £13.1m). As at 31 December 2010, the Group’s order book for existing contracts was c. RMB39 million with a substantial part expected to be completed and recognised in FY2011.

As referred to in the Company’s Admission Document, CNE recently entered into a contract which has an initial contractual value of RMB 77 million (c. £7.3m) for the provision of its services in Thailand. The Company will be providing fuel and common grade ethanol devices for a cassava ethanol project.

With rising fossil fuel prices and a greater demand for clean fuel, bioenergy is widely considered to be one of the key alternative fuels because of its easy acquisition and clean emissions. The Directors believe that market dynamics will continue to remain favourable and that CNE’s established position within the industry leaves it well placed to capitalise on the expected increase in ethanol production plant projects globally.

Purpose of Admission

The purpose of Admission is to raise the profile of the Group and to provide the Group with access to future additional capital to allow it to fulfil its objectives of acquisitive and organic development on both a national and international level.

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Capitalised terms in this announcement are as defined in the Company's Admission Document, which is available on the Company's website: www.chinanewenergy.co.uk

Placing Statistics

Number of Existing Ordinary Shares	277,404,008
Number of Placing Shares	9,360,147
Further Ordinary Shares issued to advisers on Admission	9,920,295
Number of Ordinary Shares in issue following Admission	296,684,450
Placing Price	7p
Market Capitalisation of the Company at the Placing Price on Admission	£20.8 million
ISIN Code	JE00B3RWLF12
AIM Symbol	CNEL