

26 November 2013

China New Energy Limited
("CNE" or "the Company")

Subscription 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 a further subscription following continued institutional interest in the Company.

To satisfy the demand, the Company has issued 7,107,143 ordinary shares by way of subscription, at a price of 3.5p per share, raising £248,750. The additional funds raised will further support general working capital and to reduce its structured debt.

Mr Yu, Chairman, commented, "we are delighted with the recent institutional interest in our business which has led to £1,048,750 being raised in the last month. Our recent contract success highlights our capabilities as a global business, and, hopefully, confidence is returning to the bioenergy industry. The funds raised today will be used to reduce our structural debt and it is our expectation that we will be able to completely repay the principal on the bonds from Citadel. We are fully funded to progress our current order book and I do not anticipate further fundraising in the near future. We continue to work hard to deliver our goals of winning EPC contracts and becoming an operator and I look forward to updating shareholders about our progress in the near future."

Issue of Equity

Application has today been made for the 7,107,143 new ordinary shares to be admitted to trading on AIM which is expected on or around 29 November 2013. Following this issue of equity, the issued share capital of the Company will be 348,962,101. 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 348,962,101 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 348,962,101 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.

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

China New Energy Limited

Richard Bennett

Ivy Xu

www.chinawenergy.co.uk

rbennett@zky.com.cn Tel: +44 20 7148 3148

xuhj@zky.com.cn Tel: +86 20 8705 9371

Cairn Financial Advisers LLP (Nomad)

Jo Turner / Liam Murray

Tel: +44 20 7148 7900

SVS Securities plc (Broker)

Ben Tadd

Tel: +44 20 3700 0100