

10 March 2014

China New Energy Limited

("CNE" or "the Company")

### Signed MOU

The Board of CNE (AIM:CNEL), the AIM quoted engineering and technology solutions provider to the bioenergy sector, is pleased to announce that the Company has entered into a second agreement with Ubon Bio Ethanol Co., Ltd ("Ubon"), to build a second biorefinery for it in Thailand.

The new project will replicate the existing biorefinery which is a 1st generation biorefinery converting cassava feedstock into 100,000 tonnes of anhydrous fuel grade ethanol per year. The project is expected to commence in late 2014, and forecast to complete by 2016, with a contract value for the Company of approximately RMB100m (£10m).

The first biorefinery commissioned by Ubon, was formally opened in December 2013 by HRH Princess Sirindhorn of Thailand following a two year construction period and six month commissioning and handover phase. The biorefinery is now in full production and is a profitable enterprise for the owners. Based upon this successful project, Ubon has entered into an MOU to commission this second project within a two year period.

In addition to the new MOU, The board of CNE would like to take this opportunity to update shareholders that, notwithstanding the termination of the proposed transaction to acquire BAPP Ethanol Holdings Limited ("BAPP") which recently terminated, the Company is currently in discussion with BAPP's owners Sino Distillery Group Limited to provide technical expertise to the distressed operating biorefinery business.

Mr Yu said, "I am both pleased that we are continue to develop our project pipeline for EPC contracts to build 1st generation biorefineries, and that we remain a leader in biorefinery technology for converting cassava into ethanol.

It remains our business strategy to develop new lines of business that will deliver a recurring income either directly or through acquisition. I look forward to updating our shareholders in due course".

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

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