

1 June 2015

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

Acquisition of 24% of the Equity in Hungarian Ethanol Project

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 acquired 24 per cent. of the issued equity of the Visontai Bioetanol Fejlesztő Korlátolt Felelősségű Társaság ("Visontai") bioethanol project in Hungary for €250,000.

As announced on the 18 of November 2013, CNE was contracted by Visontai to design and construct a biorefinery to convert corn feedstock into 150,000 litres per day of ethanol. Under the terms of supplementary contractual arrangements made, CNE has the option to conditionally subscribe for, and to acquire, additional equity in Visontai.

CNE is pleased to advise that it has exercised this right and subscribed for 24 per cent. of the equity of Visontai for €250,000. Subject to certain contract provisions, CNE has the right to further enlarge its holding, by acquisition of shares, up to 50 per cent. of the equity of Visontai for a further payment of €250,000.

The biorefinery is now scheduled to enter production in 2017 and take 13 months to build. The biorefinery will be operated by Visontai. CNE will supply its proprietary pre-treatment, fermentation, distillation and dehydration technology to the project and the local project partners will complete the civil engineering and construction of the biorefinery. CNE will also provide long-term training, support and maintenance.

The contract value for CNE is approximately €34 million of which approximately €11 million will be due by CNE to local subcontractors. Stage payments will be due to CNE based on construction milestones.

The corn feedstock has already been contracted from Hungarian farmers and a long term off-take for the ethanol has been agreed with an international commodity trader.

Mr Yu, Chairman of CNE commented, "It has been a strategic goal of CNE for some time to buy into a biorefinery project and deliver a recurring income from the sales of bioethanol. We are delighted to acquire a stake in this European project and look forward to the successful development of the business."

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

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