

16 October 2015

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

Sunbird Bioenergy signs agreement for bioethanol plant in Zimbabwe

China New Energy Limited is pleased to announce that Sunbird Bioenergy Limited (“Sunbird”), its project partner in Africa, has signed an agreement with the Republic of Zimbabwe to develop a 120 million litre cassava to bioethanol plant in the Machonaland Central Province of the country “the Agreement”).

It has been erroneously reported in the media that CNE has also entered into the Agreement. Whilst CNE is not currently a party to the Agreement, it is expected that CNE will enter into an MOU with Sunbird shortly. It is intended that CNE will design the plant and supply the key fermentation, distillation and dehydration technology as well as providing commissioning and ongoing support and maintenance services. The bioethanol plant will be designed using the Company’s proprietary cassava to ethanol technology that has been successfully commissioned, and is now fully operations, in Thailand.

It is the intention of Sunbird and CNE to complete the project design by February 2016 with an independent company completing an environmental impact assessment. Financial closure for the project is anticipated in Q1 2016, with the project being commissioned in late 2017.

Richard Bennett, a director of the Company, is also a director of Sunbird. Accordingly, once terms have been agreed, signing of a binding agreement will be treated as a related party transaction pursuant to Aim Rule 13.

Commenting on the agreement with Sunbird, the UK Ambassador to Zimbabwe said, “We welcome this development as it signifies a positive step in the strengthening of UK Zimbabwe trade and investment relations. As you know, the signing of this deal is a follow-up of the UK led Trade Delegation that came to Zimbabwe in February of this year. With the right policies, the trade mission visits can translate to tangible investment for Zimbabwe.”

Mr Yu, Chairman, commented, "Whilst this project is at an early stage in the development cycle, it is an important milestone that demonstrates that we continue to make progress in the African market."

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

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