

18 December 2015

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

Press Speculation Re: Ground Breaking Ceremony

The Company notes the recent speculation in the press in relation a ground breaking ceremony for Sunbird Bioenergy Africa Limited’s (“Sunbird Bioenergy”) cassava to ethanol project held in Zambia.

The Company advises that, on 15 December 2015, a ground breaking ceremony was held by Sunbird Bioenergy which was officiated by His Excellency President Lungu. The purpose of the ceremony was for President Lungu to raise awareness of the project to the local community and to encourage small-scale farmers to commence growing cassava for the biorefinery which is expected to enter production in 2017.

As announced on 4 December 2015, CNE signed a memorandum of understanding with Sunbird Bioenergy in respect of developing a biorefinery in Zambia. Whilst the ceremony highlights that Sunbird Bioenergy is at an advanced stage of negotiations with the government, the terms of the transaction and the necessary contracts have not yet been finalised. Development of the project, and a binding agreement with CNE, remains subject to raising the necessary project finance and completion of other key project milestones.

The Company will update the market further in due course.

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

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