

2 June 2016

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

**Update on Zambia**

The Board of CNE (AIM:CNEL), the AIM quoted engineering and technology solutions provider to the bioenergy sector, announces that, further to its announcement of 20 May 2016, Sunbird Bioenergy Africa Limited ("Sunbird") has been advised that the Investment Promotional and Protection Agreement ("IPPA") is expected to be signed on or around 30 June 2016.

Since its announcement of 20 May 2016, the Company confirms that there has been no significant progress with the project milestones noted. At this time, the Company is unable to advise further as to the expected timing of a formal contract with Sunbird but it reiterates that it remains the intention of all parties to enter into this contract and for the Zambia project to commence in 2016.

The Company will provide a further update to the market in due course.

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

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