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China Clean Energy Inc.

中国清洁能源有限公司





Safe Harbor Statement

This presentation contains forward-looking statements. These statements relate to future events or to our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. You should not place undue reliance on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and which could, and likely will, materially affect actual results, levels of activity, performance or achievements. Any forward-looking statement reflects our current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to our operations, results of operations, growth strategy and liquidity. We assume no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, those factors that are disclosed under the heading "Risk Factors" and elsewhere in our documents filed from time to time with the United States Securities and Exchange Commission and other regulatory authorities.

Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved and these statements will prove to be accurate. Important factors could cause actual results to differ materially from those included in the forward-looking statements.



Equity Snapshot

Ticker Symbol:	CCGY.OB
Price (02/10/2010):	\$0.51
Market Cap:	\$16.1 mil
Shares Outstanding:	31.5 mil
Revenues (FYE 12/31/2008):	\$18.2 mil
Net Income (FYE 12/31/2008):	\$0.6 mil
Fully-Diluted EPS (FYE 12/31/2008) ⁽¹⁾ :	\$0.02
P/E (FYE 12/31/2008):	25.5x

(1) Based on current share count of 31.5 mil

Source: Capital IQ, Company SEC Filings

Corporate Overview



➤ Existing Plant Facts

- Headquartered in Longtian, Fuqing City, Fujian Province, PRC
- 311,000 square feet ISO-certified production facilities
- 18,000 tons per year of specialty chemicals capacity
- 10,000 tons (3 mill gallons) per year of biodiesel capacity

➤ Biodiesel and Specialty Chemical Products

- Biodiesel
- Monomer Acid
- Dimer Acid
- Polyamide Resins
- Printing Inks
- Dimer Acid-Based Polyamide Hot Melt Adhesives

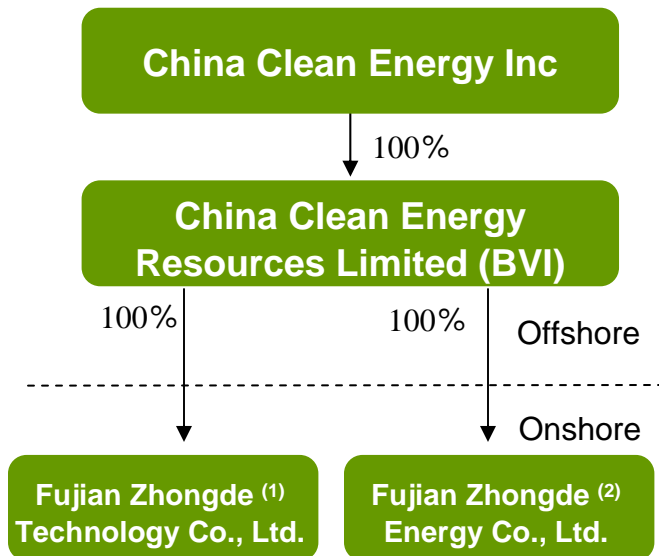
➤ New Plant Facts

- Located in Jiangyin Industrial Park, 20 miles from existing plant in Fuqing City, Fujian Province, PRC
- Designed to produce up to 70,000 tons of biodiesel (40,000 tons) and specialty chemicals (30,000 tons)
- To launch commercial production by end of 2009

Key Milestones



Corporate Structure



(1) Existing Plant
(2) New Plant

Corporate History

Expects to launch commercial production in new plant

Dec 2009

Completed the construction of new plant

Sep 2009

Completed a \$15 million private placement to finance Jiangyin plant

Jan 2008

Completed reverse merger and was listed on the OTC Bulletin Board

Nov 2006

Became a wholly foreign-owned enterprise (“WFOE”).

Feb 2006

Commenced production of biodiesel fuel from cottonseed leavings and yellow grease using proprietary technology.

Dec 2005

Founded in Fujian Province in China to produce environment-friendly specialty chemicals made from waste vegetable oil

1995

Investment Thesis



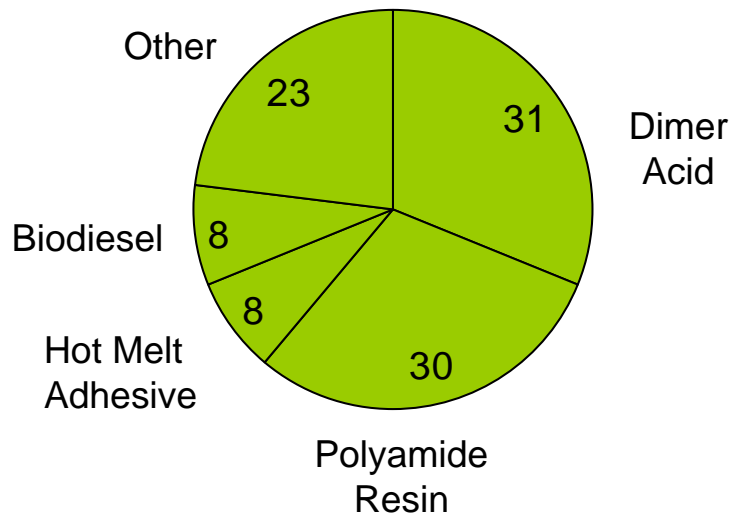
Diversified Revenue and Customer Base	<ul style="list-style-type: none">• Specialty Chemicals provides a hedge to optimize margins and lower business risk• Exports sales further diversifies and strengthens customer base
High Growth Opportunity	<ul style="list-style-type: none">• Biodiesel opportunity provides platform to accelerate growth, driven by economy, energy security and environment• New plant adds 70,000 tons of biodiesel and specialty chemicals capacity providing <u>funded</u> growth catalyst
Experienced and Committed Management Team	<ul style="list-style-type: none">• Company has been in operation since 1995• Founding partners run day to day operations• Officers and directors own 29% of shares
Profitable Business Model with Low Leverage	<ul style="list-style-type: none">• Profitable in all of the last three fiscal years on a GAAP basis• Debt-to-equity ratio is 10%



Revenue Breakdown - 2008

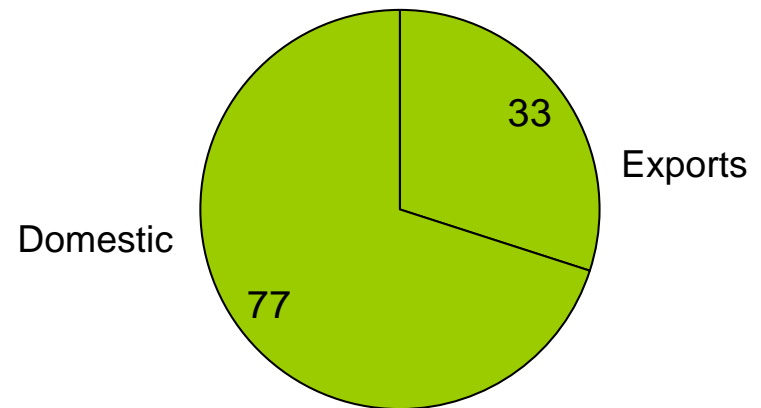
Products

100% = \$18.6 million



Markets

100% = \$18.6 million



Specialty Chemicals provide a hedge to optimize margins and reduce business risk, while exports further diversify customer base.



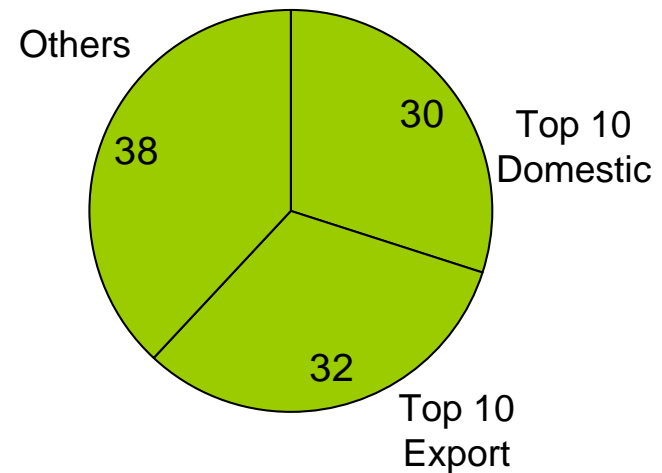
Customer Base - 2008

Top Export Customers	Company	Location	% of Sales
	Air Products and Chemicals ¹	Singapore	6%
	Cray Valley Resin ²	India	6%
	ABC Chemical Exports	India	5%
	New Power International	Taiwan	5%
	HBG Exports	U.S.A.	4%

Top Domestic Customers	Company	Location	% of Sales
	Fuzhou Baisheng Refine Chemical	Fujian Province	5%
	Fuqing Zhongdong Filling Station	Fujian Province	4%
	Hangzhou Yangsheng Chemical	Zhejiang Province	4%
	Dachang Resins (Huizhou)	Guangdong Province	4%
Fuqing Risheng Filling Station	Fujian Province	3%	

Revenue Concentration

100% = \$18.6 million



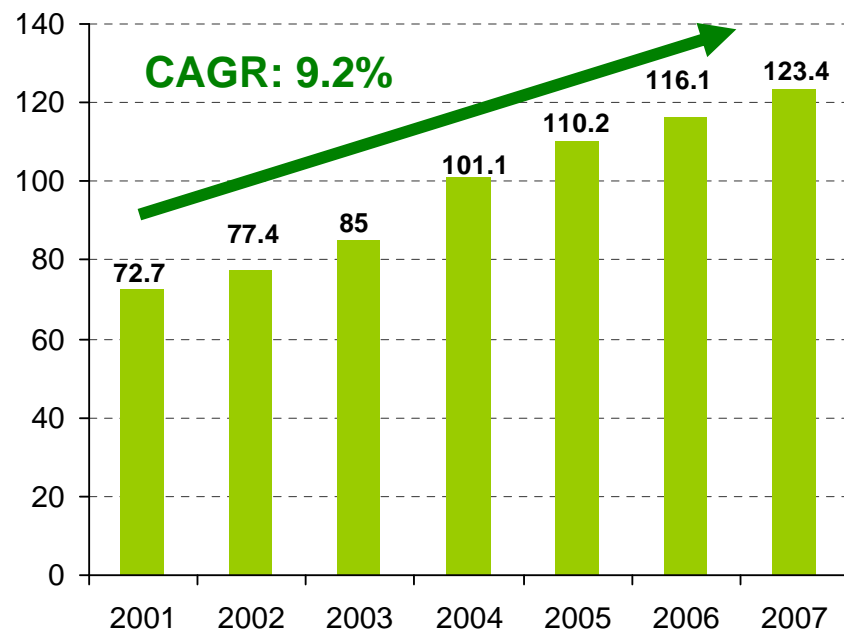
Established relationships with key customers in the domestic and foreign markets.

1.(NYSE:APD) 2. Subsidiary of TOTAL (NYSE:TOT)

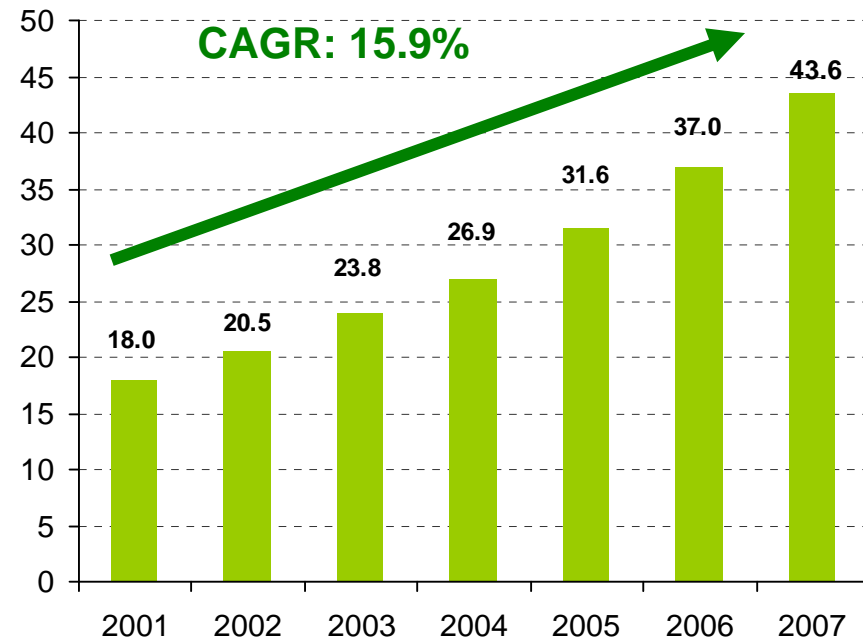
Biodiesel Opportunity



Demand for Diesel in China (Million Tons)



Motor Vehicle Fleet in China (Million)

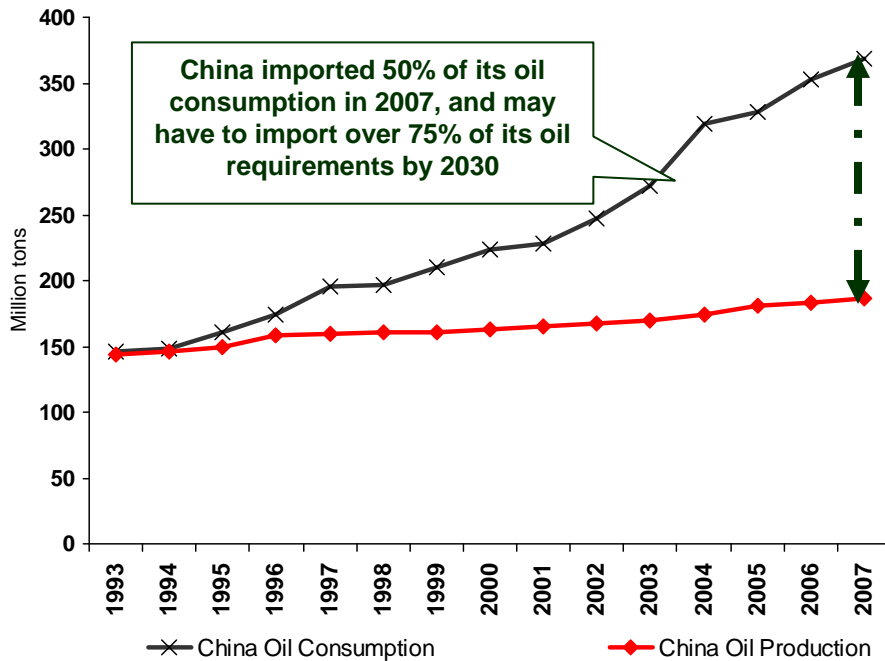


Car ownership in China is expected to grow in the 8-10% range in to 230 million by 2030, driving growth in demand for diesel.

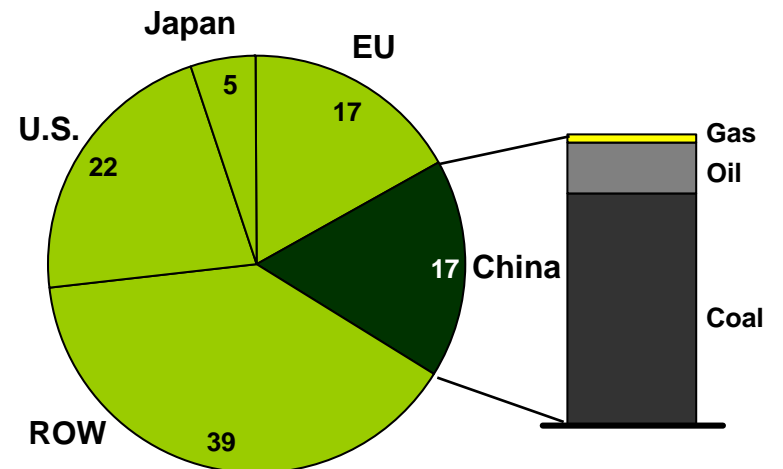
Biodiesel Opportunity



Oil Dependency



Carbon Footprint - %



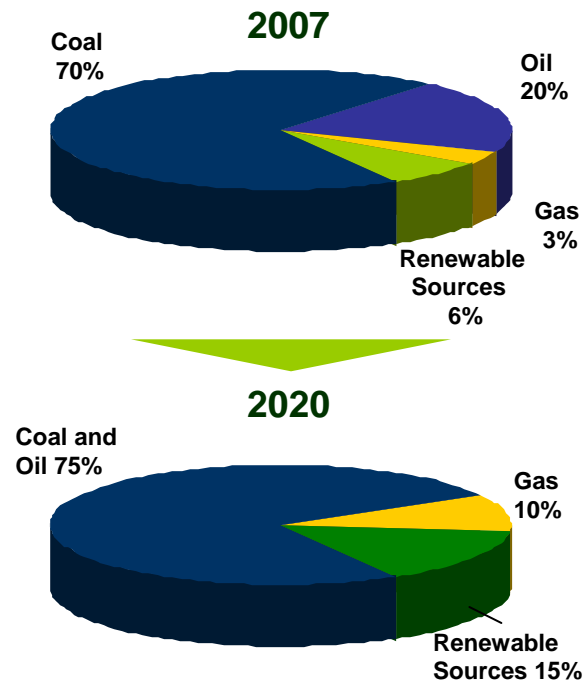
Oil dependency and the environment are key concerns driving energy policy in China...

Source: BP Statistical Review, IEEJ, IEA

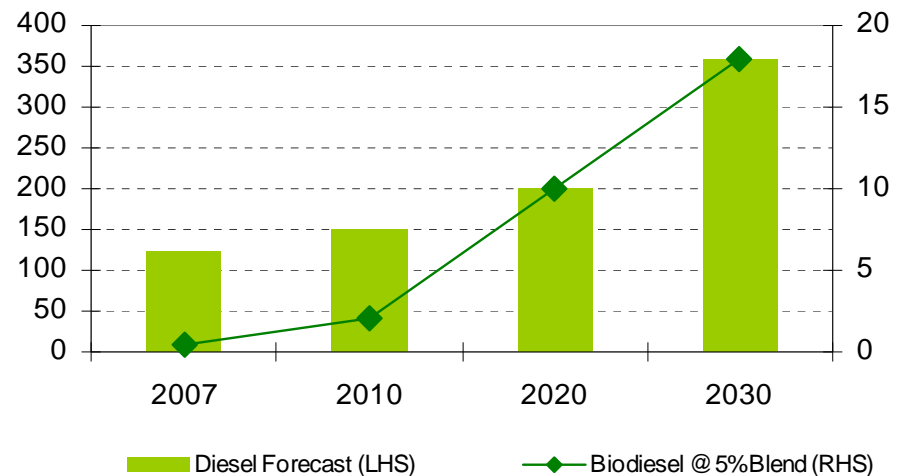
Biodiesel Opportunity



Energy Mix in China



Biodiesel and Diesel Demand Forecast (Million Tons)



Renewable energy is targeted to represent 15% of energy consumption in China by 2020.

(source: Credit Suisse, IEEJ, US Department of Commerce).



Jiangyin Plant



China Clean Energy's new 70,000 ton plant has the flexibility to produce biodiesel and/or specialty chemicals to diversify business risk.

Jiangyin Plant

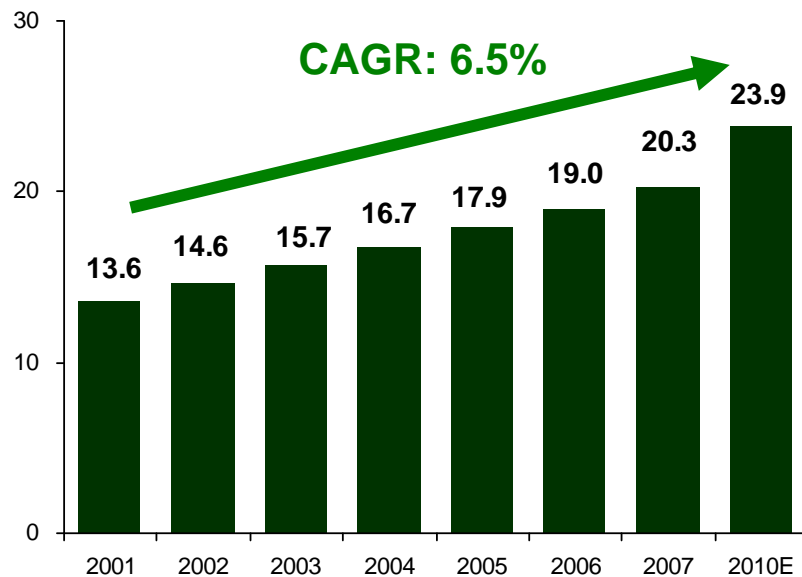


The new plant initiated commercial production in December of 2009.



Waste Oil Supply Availability

Edible Oil Consumption in China Million Tons



Palm Oil Waste

- Malaysia and Indonesia are the world's top two palm oil markets
- China Clean Energy's multi feedstock technology allows use of palm oil waste in its production process
- China Clean Energy continues to evaluate the possibility of importing palm oil waste to diversify its feedstock supply

There is ample supply of waste edible oil which may also be supplemented by imported palm oil waste.

(source: Datamonitor Aug/2007).

Proprietary Technology



- Proprietary biodiesel production process using special catalyst which allows from waste feedstock such as cotton-seed waste and waste grease
- Proprietary and patented multi-purpose polyamide hot-melt adhesive for use in:
 - Inks
 - Adhering Polyolefin
 - Engineering Plastics
 - Films
 - Electronic goods manufacturing

Proprietary technology allows company to use lower cost waste vegetable oils to produce an array of products.

Growth Strategy



Specialty Chemical

- Build strong brand recognition for its environment-friendly specialty chemical
- Expand product offering to include high-end specialty-chemical products such as *hot melt adhesives* targeting import substitution
- Leverage Company's new plant to meet demand from high volume customers

Biodiesel

- Capitalize on strong demand for transportation fuel in China
- Take advantage of favorable policies supporting adoption of biodiesel
- Leverage Company's new plant to meet demand from high volume customers

Expansion Plans



- **Strategically select plant locations**
 - Second refinery is located at Jiangyin port is scheduled to be operational by end of 2009
 - Port location will allow quick and cost-effective access to imported feedstock
 - Easy access to potential customers such as ships which consume large amount of diesel
 - Potential to tap the export market
 - Future Hebei and Xinjiang refinery locations are planned to take advantage of strong cotton cultivation industries
 - Easy access to raw material such as cotton-seed waste
 - Duplicate existing plant conditions – sell to diesel retailers in close proximity
 - Avoid transportation costs by building plants close to feedstock
 - The biodiesel segment has virtually no accounts receivables

Management Team



China Clean Energy has an experienced management and R&D team

■ **Tai-ming Ou, Chairman and CEO**

- Co-founded the Company in 1995. Prior to forming China Clean Energy, Mr. Ou was the Director of General & Administrative Office of Fuqing First Secondary School. Mr. Ou was also in charge of a factory operated by the school. He is a licensed senior economist and has a Bachelor's Degree in mathematics from Fujian Normal University.

■ **Ri-wen Xue, Chief Operating Officer**

- Joined as Production Manager and shareholder in 2000 and was promoted to Vice General Manager of Operations in December 2003. Mr. Xue was formerly a Director of Credit at Commercial and Industrial Bank of China (CIBC) and an engineer at CMOS Chip Copperize Corporation in Japan (fluent in Japanese). He holds a Bachelor's Degree in Finance Administration from Jimei University.

■ **William Chen, Chief Financial Officer**

- Joined China Clean Energy as the vice president of investor relations in December 2009 and was appointed CFO in February 2010. Mr. Chen was formerly a financial analyst at Wealth Transition Planning LLC, a comprehensive financial services firm in New York. Prior to that he was a director assistant in EKN Financial Service. Previously he also held positions at Colgate Palmolive Company and Duane Reade Corporation, both based in New York. Mr. Chen holds a Bachelor degree in Finance and Investment from Baruch College and is working towards an MBA degree.

■ **Yun He, Senior Vice President of Sales and Distribution**

- Mr. He participated in the initial financing efforts, became a shareholder in 1995 and was promoted to Deputy General Manager - Sales & Distribution in Dec. 2003. Mr. He is a former resident and international trade executive both in the former Soviet Union and Czechoslovakia.



R&D Advisors

China Clean Energy has an experienced management and R&D team (Cont.)

■ Zicai Liang, Professor and R&D Advisor

- Professor, Doctor / Mentor and Master Instructor at Sichuan University Macromolecule Institute and formerly a researcher at Chengdu Technology University. Mr. Liang has published over 60 industry papers, owns 4 patents and has 4 years of research experience in the US as a visiting scholar. Mr. Liang holds a Bachelor's Degree from China Technology University and a Master's Degree from Chengdu Technology University.

■ Yu Lin, Professor, Chemical Science Advisor, Inks & Printing

- Senior Research Scientist at Fujian Province Chemical Institute. Mr. Lin has been awarded several medals for research related to printing technologies. He holds a degree from Fuzhou University Chemical Institute.

■ Heng Zhang, Professor, Oil Chemistry Applications Advisor

- Vice Superintendent of Shanghai Grain Institute. Mr. Zhang is a frequent publisher on the subject of "Dimer Acid Industrialization" and related topics. Mr. Zhang holds a degree from Shanghai Huadong Chemical Institute in Grease Chemistry.

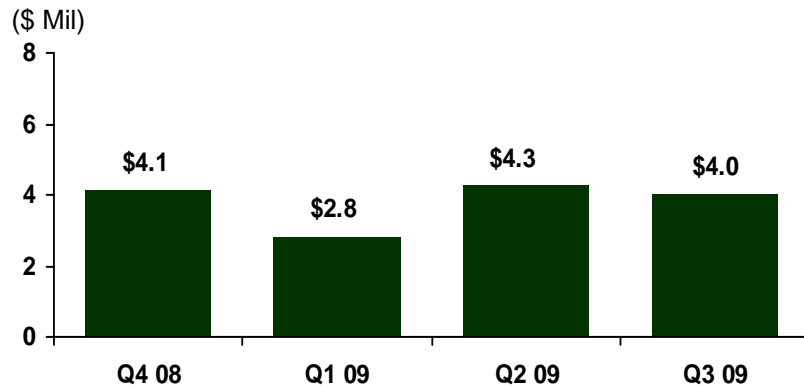
■ Shengxiong Dong, Chemical Science Advisor

- Professor, Doctor / Mentor and Master Mentor at Fuzhou University, Chemistry & Chemical Institute, Member of Fujian Government Safety Production Expert Associate and Director of Fujian Chemical Association. Mr. Dong is a former visiting scholar at the University of California at Davis Chemical Institute and has over 80 professional papers cited in domestic and international publications or conferences. He has won awards for research on chemical separation, membrane science & separation and functional macromolecule material technologies.

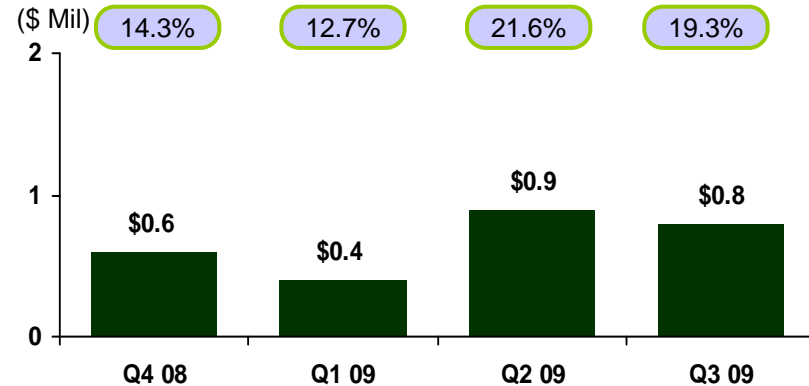
Key Performance Metrics



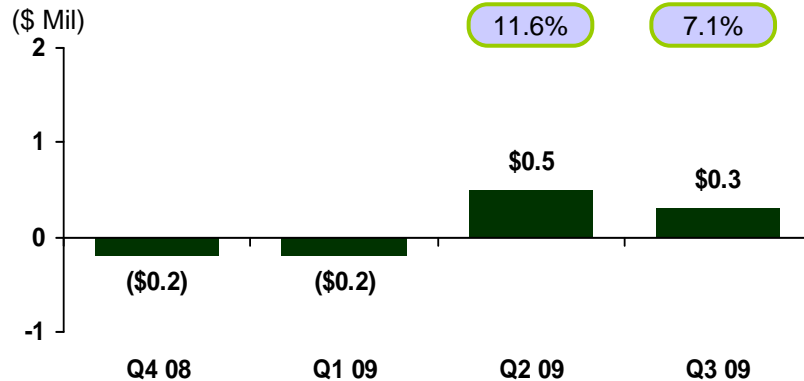
Net Revenue



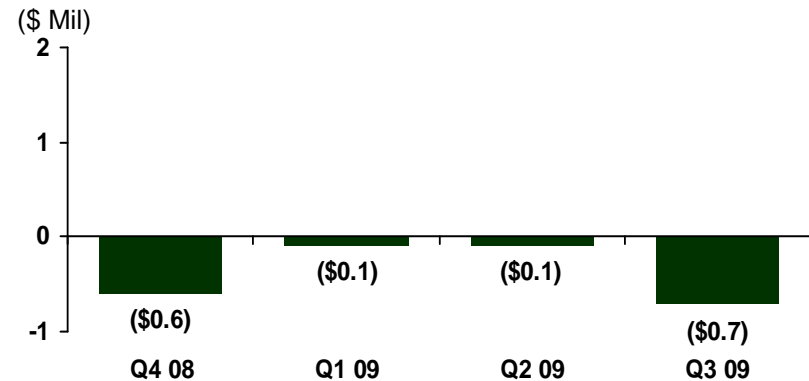
Gross Profit



Operating Profit



Net Income

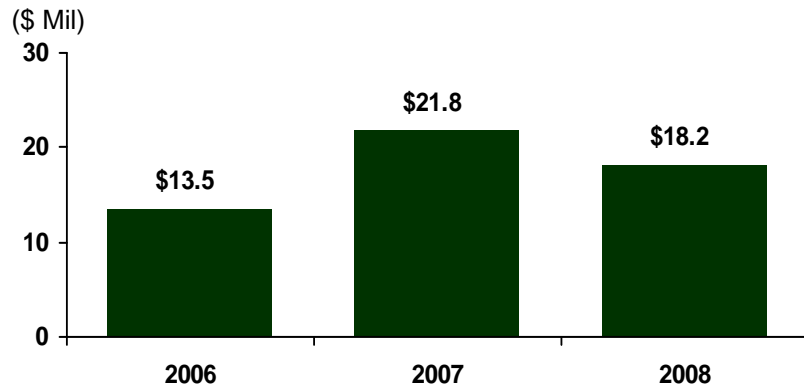


Adjusted Net Income, which excludes the effect of non-cash change in fair value of warrant liability and equity based compensation for Q3FY09 was \$0.3 million or \$0.01 per fully diluted share.

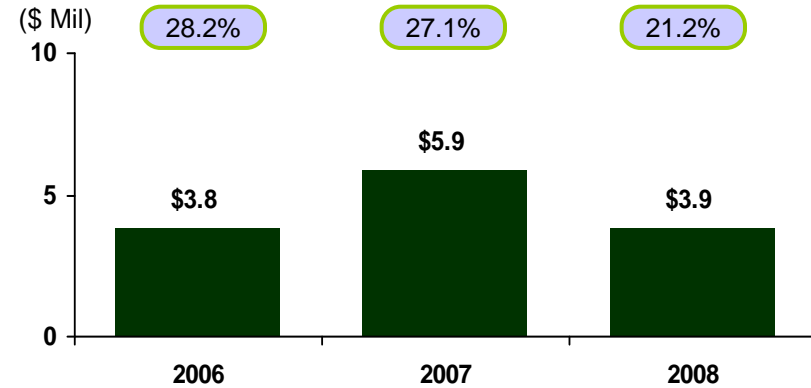
Key Performance Metrics



Net Revenue



Gross Profit



Operating Profit



Net Income





Income Statement Summary

	Audited FY06	Audited FY07	Audited FY08
Specialty Chemicals	\$10.10	\$16.00	\$16.77
Biodiesel	\$3.40	\$5.80	\$1.40
Total Revenues	\$13.50	\$21.80	\$18.17
Operating Income	\$2.20	\$3.50	\$1.13
Net Income	\$1.30	\$3.40	\$0.60
FD EPS	\$0.07	\$0.16	\$0.02

Source: Company SEC filings. All figures in millions except EPS numbers. Some figures may not add up due to rounding. FY06 net income includes \$0.5 million nonrecurring charge related to the "reverse acquisition" of China Clean Energy Resources Ltd.



Balance Sheet Summary

	Audited FY06	Audited FY07	Audited FY08
Assets			
Cash & Cash Equivalents	\$2.2	\$1.1	\$2.9
Account Receivables	\$1.8	\$2.8	\$1.1
Inventories	\$0.9	\$1.4	\$0.8
Current Assets	\$5.2	\$6.3	\$5.1
Total Assets	\$12.4	\$17.0	\$33.0
Liabilities			
Short-term Debt	\$1.3	\$1.2	--
Current Liabilities	\$1.8	\$2.0	\$1.1
Long-term Debt	\$0.0	\$0.2	\$0.02
Total Liabilities	\$1.8	\$2.3	\$1.1
Total Stockholders' Equity	\$10.6	\$14.8	\$31.9

Source: Company SEC filings. All figures in millions. Some figures may not add up due to rounding.



Reconciliation of Adjusted Net Income to Nearest GAAP Measure

	Three months ended September 30,	
	2009	2008
Net Income (Loss)	\$ (731,672)	\$ 401,699
Add back (Deduct):		
Change in fair value of warrant	\$ 965,965	\$ -
Stock-based compensation	\$ 83,030	\$ 504,722
Adjusted Net Income	\$ 317,323	\$ 906,421
Diluted EPS	\$ (0.02)	\$ 0.01
Add back (Deduct):		
Change in fair value of warrant	\$ 0.03	\$ -
Stock-based compensation	\$ -	\$ 0.02
Adjusted EPS	\$ 0.01	\$ 0.03

Investment Thesis



Diversified Revenue and Customer Base	<ul style="list-style-type: none">• Specialty Chemicals provides a hedge to optimize margins and lower business risk• Exports sales further diversifies and strengthens customer base
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Thank You!



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