



## China Clean Energy Inc.

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China Clean Energy Inc.

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### FOR IMMEDIATE RELEASE

## **China Clean Energy Updates Business Outlook**

**Fuqing City, China – June 27, 2008** -- China Clean Energy Inc. (OTC Bulletin Board: CCGY.OB) (“China Clean Energy”, the “Company”), a leading producer of environmentally-friendly specialty chemical products made from renewable resources in The People’s Republic of China, today announced that it continues to make progress in finding alternative markets for its specialty chemical products and that it continues to evaluate options that would allow it to resume biodiesel production.

Since halting biodiesel production in March 2008, the Company has been seeking alternative markets in China for its specialty chemical products, including selling standard monomer acid, a biodiesel substrate, to environmentally friendly paint producers. Monomer acid has a very similar chemical composition to biodiesel and benefits from the fact that its pricing is not regulated by the government, thus allowing the Company to pass on any increases in raw material costs to its customers.

With respect to the Company’s suspended biodiesel operations, the Chinese government’s recent decision to increase the selling price of diesel by RMB 1,000 per metric ton to RMB 7,300 per metric ton (including 17% Value Added Tax) has not been sufficient to allow the Company to restart biodiesel production due to the current prices of waste cooking oil and waste vegetable oil, which have risen from RMB 3,600 per ton to around RMB 5,000 per ton since March 2008. The Company, however, is currently seeking to secure these raw materials from suppliers in Malaysia and Indonesia, where prices have yet to increase as dramatically as they have in China (currently RMB 4,300 per ton). These discussions, however, remain preliminary, and no assurances can be given that the Company will be able to secure any raw materials from these suppliers at prices that would allow the resumption of biodiesel production.

“We are hopeful with the possibility of restarting our biodiesel production in the near future by leveraging lower waste palm oil feedstock supplies as we benefit from higher diesel prices in China. We expect biodiesel to continue to represent an attractive long-term opportunity for our business both at our current refinery and the new Jiangyin Plant if margin structures return to profitable levels,” said Mr. Tai-Ming Ou, Chairman and CEO of China Clean Energy. “We remain

hopeful that we will be able to restore our biodiesel margins, and that we will be successful in expanding our specialty chemicals business to deliver value to our shareholders in the years ahead,” concluded Mr. Ou.

China Clean Energy has also completed the installation and testing of its high purity dimer-acid production facility at its current refinery and started production in June 2008. The Company expects its new high purity dimer-acid capacity to enhance future earnings and profitability.

**About China Clean Energy:**

China Clean Energy, through its wholly-owned subsidiaries, Fujian Zhongde Technology Co., Ltd. and Fujian Zhongde Energy Co., Ltd, is engaged in the development, manufacturing, and distribution of specialty chemical products made from renewable resources.

*Safe Harbor Statement*

This announcement contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact in this announcement are forward-looking statements, including but not limited to, the Company’s ability to raise additional capital to finance the Company’s activities; the effectiveness, profitability, and the marketability of its products; legal and regulatory risks associated with the share exchange; the future trading of the common stock of the Company; the ability of the Company to expand its production capacity; Company’s ability to secure raw material feedstock supplies; the period of time for which its current liquidity will enable the Company to fund its operations; the Company’s ability to protect its proprietary information; general economic and business conditions; the volatility of the Company’s operating results and financial condition; the Company’s ability to attract or retain qualified senior management personnel and research and development staff; and other risks detailed in the Company’s filings with the Securities and Exchange Commission. These forward-looking statements involve known and unknown risks and uncertainties and are based on current expectations, assumptions, estimates and projections about the Company and the industry. The Company undertakes no obligation to update forward-looking statements to reflect subsequent occurring events or circumstances, or to changes in its expectations, except as may be required by law. Although the Company believes that the expectations expressed in these forward looking statements are reasonable, they cannot assure you that their expectations will turn out to be correct, and investors are cautioned that actual results may differ materially from the anticipated results.

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