



China Clean Energy Inc.

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FOR IMMEDIATE RELEASE

China Clean Energy Provides Business Update

Fuqing City, China – July 7, 2009 -- China Clean Energy Inc. (OTC Bulletin Board: CCGY.OB) (“China Clean Energy”, the “Company”), a producer of biodiesel fuel and environmentally-friendly specialty chemical products made from renewable resources in The People’s Republic of China (“PRC”), today announced that business conditions have improved in the second quarter 2009, compared to the first quarter, driven by improved demand and higher average selling prices for its biodiesel and specialty chemical products. The Company also re-affirmed that the construction of its Jiangyin plant is expected to be completed in September 2009. Recent pictures illustrating progress in the construction of the new plant are available at: <http://www.chinacleanenergyinc.com/Picture.htm>.

Upon completion of the new plant, it is expected that China Clean Energy will consolidate its position as the second largest biodiesel company in China with biodiesel production capacity of 100,000 tons from the new plant and 10,000 from the existing plant for a total of 110,000 tons per year. The new plant will also have the capability to produce up to 30,000 tons of specialty chemicals which management believes is critically important to maintain the Company’s operating flexibility to optimize margins and reduce the business risk associated with mismatches of feedstock and diesel prices in China over the economic cycle.

“We are pleased to re-affirm that the Jiangyin plant is expected to be operational in the beginning of the fourth quarter 2009,” said Mr. Tai-ming Ou, China Clean Energy’s Chairman and CEO. “In addition, we are very pleased to announce that we have experienced improved sales volume and prices for biodiesel and specialty chemicals in the second quarter as a result of increased orders from existing customers as well as from new business development efforts. In the second quarter, two new clients started to place orders and we look forward to further enhancing our sales force to support the ramp up of our new plant.”

China Clean Energy management continues to closely evaluate the developments relating to the recently announced consumption tax on diesel products in the Fujian Province, where the Company has operating facilities. Currently, the local tax authority has recommended that biodiesel be exempt from such tax, but a final decision is pending PRC government approval.

Once a decision is announced by the PRC government, the Company will evaluate any potential impact on its biodiesel business and make the necessary adjustments to its business model.

China Clean Energy also wishes to reiterate that the implementation in Fujian of the Value-Added-Tax (“VAT”) refund for biodiesel made from waste vegetable oil has not been finalized. The Company is monitoring the situation and will proceed to take advantage of this incentive once the provincial government provides more clarity.

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 biodiesel and specialty chemical products made from renewable resources. For additional information please visit: <http://www.chinacleanenergyinc.com>

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; 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.