



## China Clean Energy Inc.

Contact:

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William Chen, CFO

Email: [william.chen@chinacleanenergyinc.com](mailto:william.chen@chinacleanenergyinc.com)

Website: <http://www.chinacleanenergyinc.com>

CCG Investor Relations Inc.

David Rudnick, Account Manager

Telephone: +1(646) 626-4172

Email: [david.rudnick@ccgir.com](mailto:david.rudnick@ccgir.com)

**FOR IMMEDIATE RELEASE**

### **China Clean Energy Announces Acquisition of Feedstock Provider Handan Guanxin Technology Ltd.**

**Fuqing City, China – November 15, 2011** - China Clean Energy Inc. (OTC QB: CCGY) (“China Clean Energy”, the “Company”), a producer of biodiesel fuel and environmentally-friendly specialty-chemical products made from renewable resources, today announced its acquisition of Handan Guanxin Technology Ltd., (“Handan Guanxin Technology” or “Handan Guanxin”), a feedstock provider located in Hebei Province, the People’s Republic of China. Handan Guanxin will become the Company’s internal source of raw materials that it utilizes to produce its specialty chemicals and biodiesel products.

“We are pleased to announce an agreement to purchase Handan Guanxin Technology Ltd., an advanced technologies feedstock supply company. In making this acquisition, we have now secured a significant portion our raw materials supply which will reduce the volatility of our production costs and lead to an increase in our bottom-line profitability,” said Mr. Tai-ming Ou, China Clean Energy's Chairman and CEO.

On November 10, 2011, Fujian Zhongde Energy, a wholly-owned subsidiary of China Clean Energy, entered into Equity Ownership Transfer Agreements (the “Agreement”) with Handan Guanxin Technology to acquire 100% of the equity interests of Handan Guanxin Technology Ltd., a supplier of feedstock for specialty chemicals. The effective date of the acquisition is November 15, 2011. The acquisition is expected to close as subject to customary closing conditions.

The Company has acquired Handan Guanxin in order to mitigate its feedstock supply risk and to better control both the costs and the quality of its feedstock. Hebei Province is an area where there are numerous factories that produce substantial natural waste products as a byproduct of their operations. Handan Guanxin purchases, collects and applies its technology to process this waste into a highly efficient and usable input for the Company’s specialty chemicals. The consideration for the transaction was a payment of approximately \$13.1 million (RMB 83 million) that was funded entirely from the Company’s current cash holdings.

It is expected that Handan Guanxin will be able to produce 7,500 tons of the feedstock and some additional by-products in its first year of operation, fulfilling approximately 30% of the Company’s feedstock needs. China Clean Energy estimates that it can increase this level up to 15,000 tons of feedstock supply after approximately 12 months. The Company believes that the feedstock supply will be of better quality than what is currently being used and that it can reduce feedstock costs by an estimated 500 - 800 RMB per ton at the first year’s supply output of 7,500 tons of feedstock production.

“In securing our raw material supply, the acquisition of Hendan Guanxin Technology Ltd. is a key component of our long-term strategic plan by enabling us to save costs as well as operate more efficiently due to the high quality nature of its feedstock properties. It provides us immediate access to raw materials

and vertical integration in our operations, both of which create corporate value and affords us a competitive advantage. We believe that Handan Guanxin Technology will ensure both optimal production and an appropriate level of operating margins in the market pricing of our specialty chemicals products for years to come,” concluded CEO Mr. Ou.

### **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. All statements other than statements of historical fact in this announcement are forward-looking statements, including but not limited to, the effectiveness, profitability, and the marketability of the Company's products; the future trading of the common stock of the Company; the ability of the Company to capitalize on its expanded 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 resulting from changes in raw material prices, international oil prices and price controls imposed by the Chinese government; 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, it cannot assure you that the Company's 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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