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China Clean Energy Inc.

中国清洁能源有限公司

December 21, 2010



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 (12/15/2010): \$1.13

Market Cap: \$35.6 mil

Shares Outstanding: 31.5 mil

Revenues (TTM): \$45.7 mil

Adj. Net Income⁽¹⁾ (TTM): \$5.0 mil

Fully-Diluted Adj. EPS (TTM): ⁽²⁾ \$0.15

P/E (TTM): 7.5x

Note: (1) Excluding change in fair value of warrant and stock-based compensation

(2) Based on current share count of 31.5 mil

Source: Capital IQ, Company SEC Filings

Corporate Overview



➤ Jiangyin Plant Facts

- Headquartered in Jiangyin Industrial Park, 20km from Fuqing, Fujian Province, PRC
- Designed to produce up to 90,000 tons of Specialty Chemicals and Biodiesel:
 - Biodiesel (50,000 tons)
 - Specialty Chemicals (40,000 tons)

➤ Fuqing Plant Facts

- Fuqing City, Fujian Province, PRC
- 311,000 square feet ISO-certified production facilities (Most equipments transferred to Jiangyin Plant in Q3 2010 except the printing ink production line with an annual capacity of 500 tons)

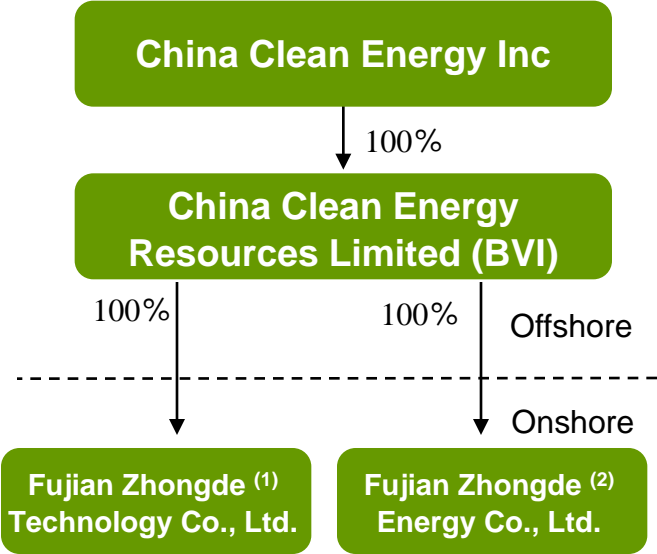
➤ Biodiesel and Specialty Chemical Products

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

Key Milestones



Corporate Structure



(1) Existing Plant
(2) New Plant

Corporate History

- 1995: Founded in Fujian Province in China to produce environment-friendly specialty chemicals made from waste vegetable oil
- Dec 2005: Commenced production of biodiesel fuel using proprietary technology
- Feb 2006: Became a wholly foreign-owned enterprise (“WFOE”).
- Nov 2006: Completed reverse merger and was listed on the OTC Bulletin Board
- Jan 2008: Completed a \$15 million private placement to finance Jiangyin Plant
- Sep 2009: Completed the construction of Jiangyin plant
- Jan 2010: Launched commercial production at Jiangyin plant
- Sep 2010: Transferred all equipment from old plant to Jiangyin Plant except for the printing ink production line

Investment Thesis



Diversified Revenue and Customer Base

- **Specialty Chemicals provides a hedge to optimize margins and lower business risk**
- **Exports sales further diversifies and strengthens customer base**

High Growth Opportunity

- **Biodiesel opportunity provides platform to accelerate growth, driven by economy, energy security and environment**
- **New plant provides three times more specialty chemicals and four times biodiesel capacity, adding 70,000 tons of capacity providing funded growth catalyst**

Experienced and Committed Management Team

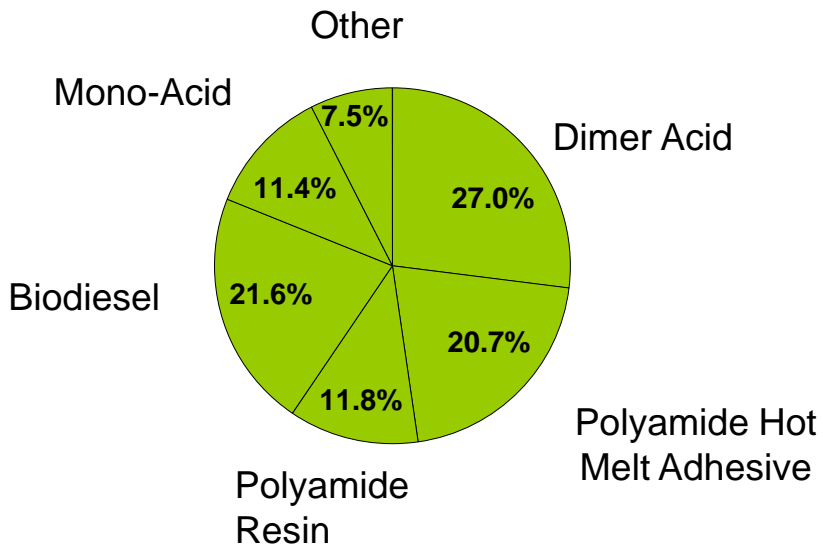
- **Company has been in operation since 1995**
- **Founding partners run day to day operations**
- **Officers and directors own 29% of shares**



Revenue Breakdown – 9M-2010

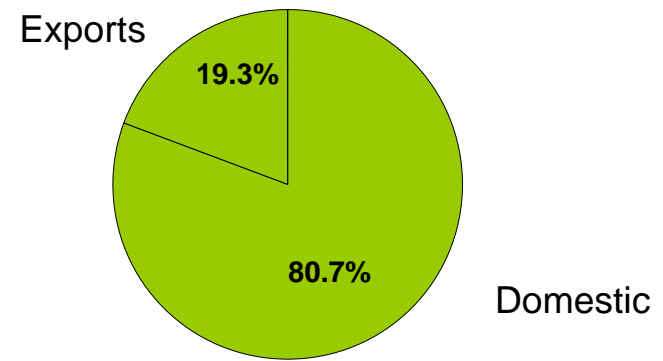
Products

100% = \$40.9 million



Markets

100% = \$40.9 million



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



Highlights for Third Quarter 2010

Strong Revenue Growth

- ✓ Third quarter revenues up 300% from Q3 '09; nine-month revenues up 270%
- ✓ Domestic sales up 799%; exports down 4%

Product Mix and Leverage Driving Margins

- ✓ Gross margin 23.2%, up from 19.3% in Q3 '09 and 19.4% in Q2 '10
- ✓ Operating income \$3.2m, up 1046% from Q3 '09
- ✓ Net income \$1.8m, up from \$0.7m loss in Q3 '09
- ✓ EPS of \$0.06 per fully diluted share

Guidance for Q4 2010 and FY 2010

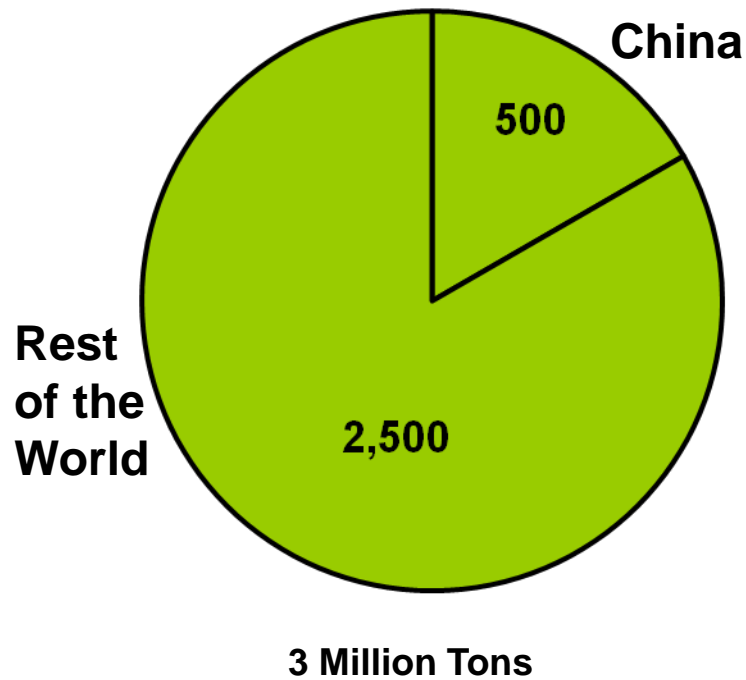
- ✓ Q4 revenues expected at \$17.3m and operating profit at \$3.5m
- ✓ FY10 revenue of \$58.1m (up 265% over '09) and operating profit of \$9.9m
- ✓ Expect Jiangyin specialty chemical plant to operate at full capacity by end of 2010



Specialty Chemicals: Market Size and Growth

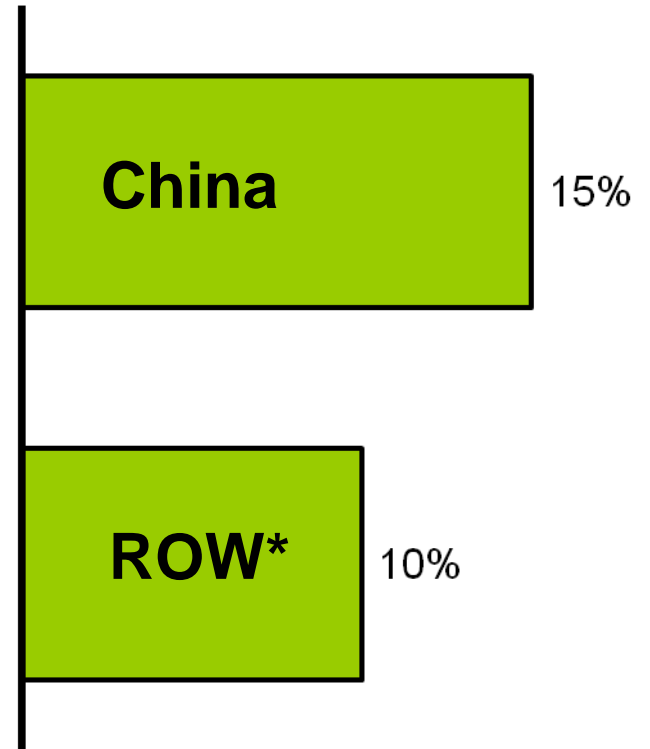
Market Size

'000 Metric Tons



Underlying Growth

% p.a.



Source: Company estimates

*Rest of the World

Specialty Chemicals: End-User Applications



Dimmer Acid

Properties: It is light yellow, transparent thick liquid, with stable property, non-toxicity, non-volatility, high flash point, high ignition point, viscosity and good adhesion.

Applications: Used in alkyd resin, polyamide resin, ink, coating, or as adhesive, for textile detergent, surfactant for lubricant and antirust oil, and food additive.



Polyamide Resins

Properties: It has good stability, good solvent releasing capacity, and good resistant to bending, good glossiness, good adhesive force and good resistance to gel.

Applications: Used in printing industry to produce solvent type printing ink for soft plate, surface printing ink for plastic and hot-melt adhesive. It can work with pigment and filler to produce bright and brilliant colors.

Hot Melt Adhesive

Properties: It is transparent, light yellow viscous solid, non-toxic, soluble in most organic solvents, non-soluble in water. It has good mechanical, fluidity, tenacity and high adhesion strength.

Applications: Used for the adhesion of heat-shrinkable material, and in printing industry for the adhesion of paper, plastic, metal, ceramics, and electric

Printing Ink and Coatings

Applications: Used for gravure surface printing, gravure inner printing and flexible typographic printing on plastic, aluminum foil and paper.



Specialty Chemicals: Competitive Position



Producers/ Manufacturers	Capacity	Province
• China Clean Energy	• 40,000	• Fujian
• Jiangsu Yonglin	• 8,000	• Jiangsu
• Jiangsu Yunda	• 6,000	• Jiangsu
• Anqing Hongyuan	• 6,000	• Anhui
• Huangyan Resin	• 4,000	• Anhui
• Other	• 6k to 36k	
• Total	• 70 to 100k	

Competitive Advantages

- ✓ **Industry leading customer base¹**
- ✓ **New plant strengthens position due to:**
 - ✓ **Economies of scale**
 - ✓ **Improved quality due to larger production batches**
 - ✓ **Location 2km from deep sea port and rail infrastructure resulting in lower logistics costs**
- ✓ **Commitment to R&D**

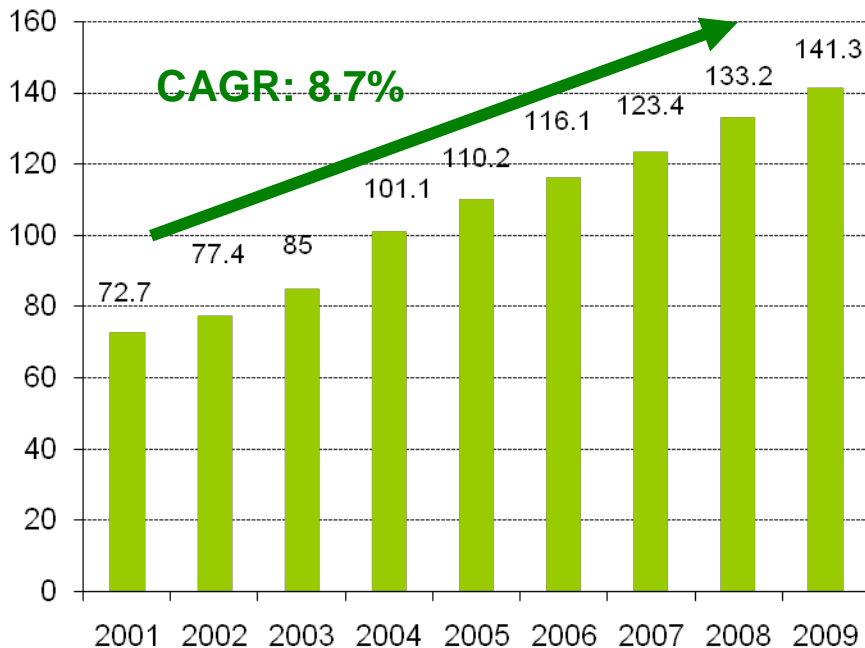
Source: Management estimates

1. Including NYSE: APD, NYSE:TOT

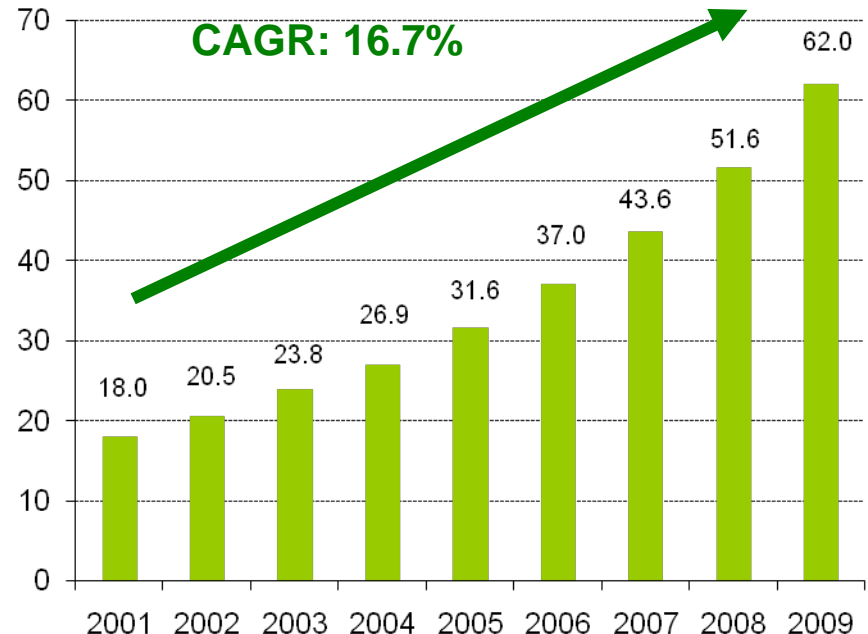
Biodiesel Opportunity



Demand for Diesel in China (Million Tons)



Motor Vehicle Fleet in China (Million)

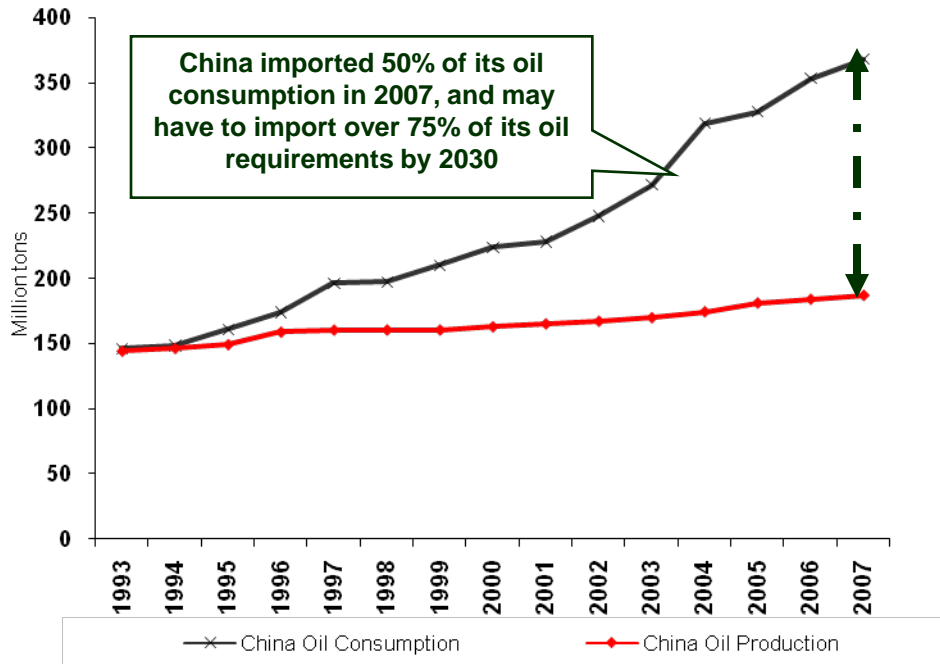


Car ownership in China is expected to grow in the 8-10% range in to 230 million by 2030, driving growth in demand for diesel.

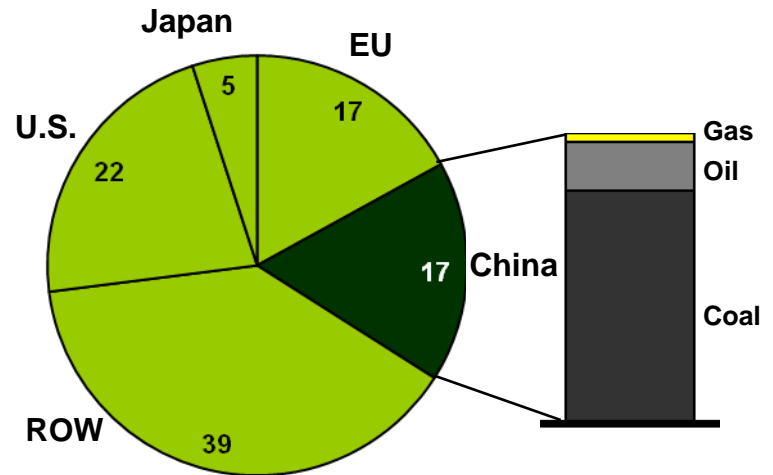
Biodiesel Opportunity



Oil Dependency



Carbon Footprint - %

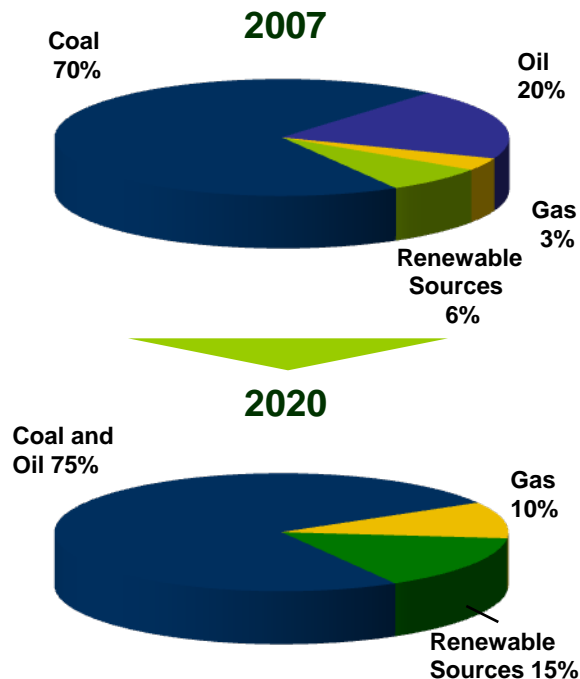


Oil dependency and the environment are key concerns driving energy policy in China...

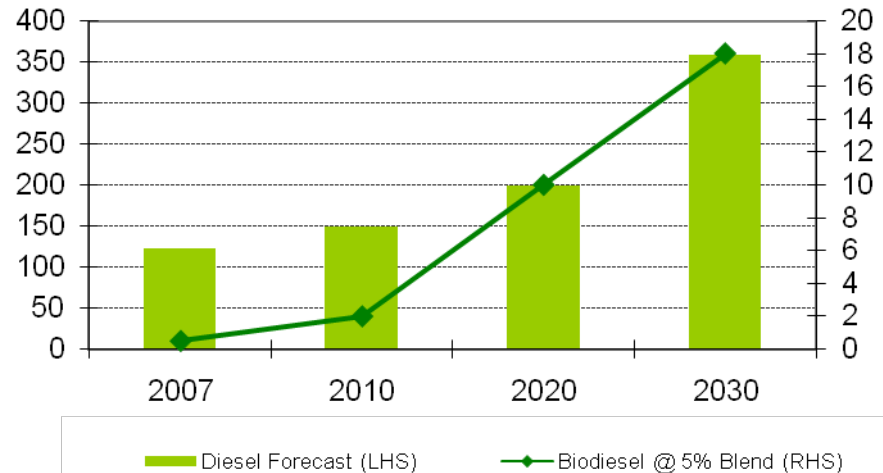
Biodiesel Opportunity



Energy Mix in China



Biodiesel and Diesel Demand Forecast (Million Tons)



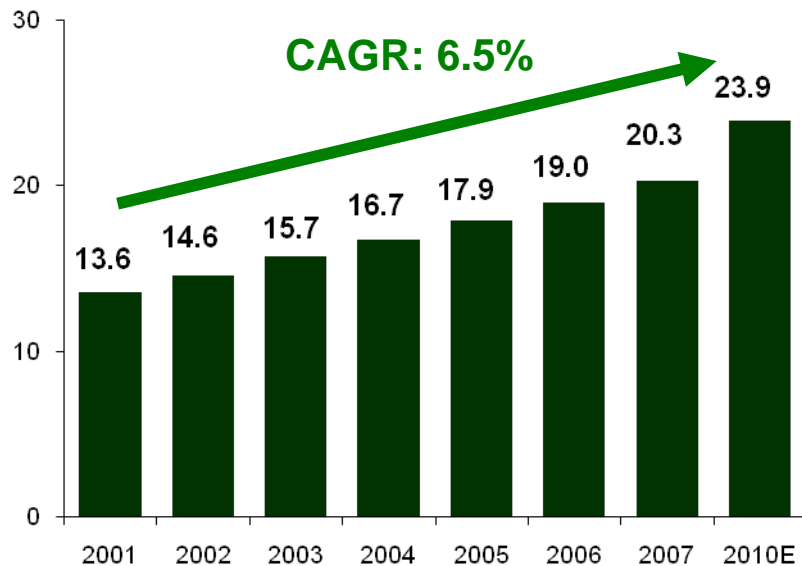
Renewable energy is targeted to represent 15% of energy consumption in China by 2020.

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



Waste Oil Supply Availability

Edible Oil Consumption in China Million Tons



Feedstock Procurement Strategy

- China Clean Energy's multi feedstock technology allows use of palm oil waste in its production process
- We continue to evaluate the possibility of importing palm oil waste to diversify its feedstock supply
- We are also evaluating opportunities to acquire one of the upstream feedstock suppliers to capture additional margin along the value chain as well as to protect our margins over the cycle

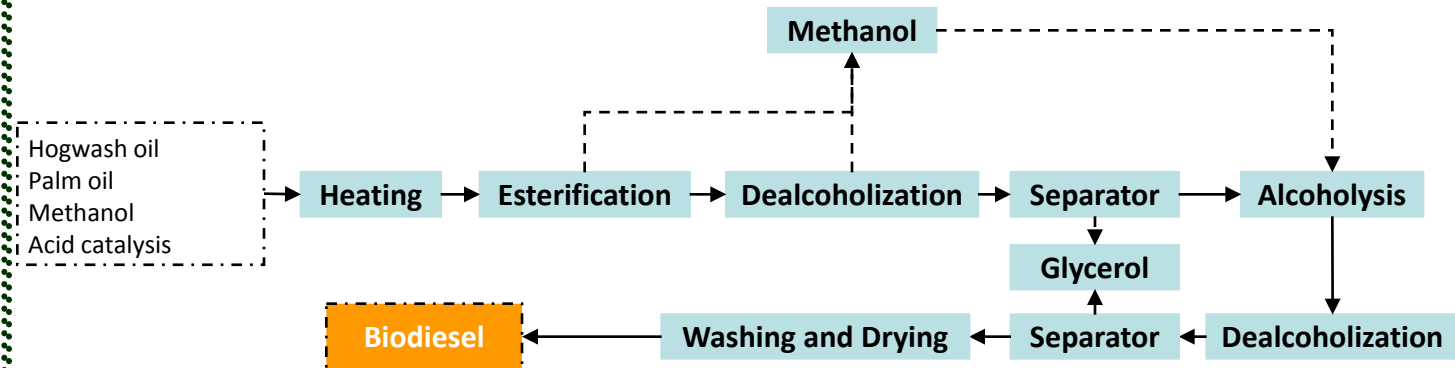
There is ample supply of waste edible oil which may also be supplemented by imported palm oil waste.

(source: Datamonitor Aug/2007).

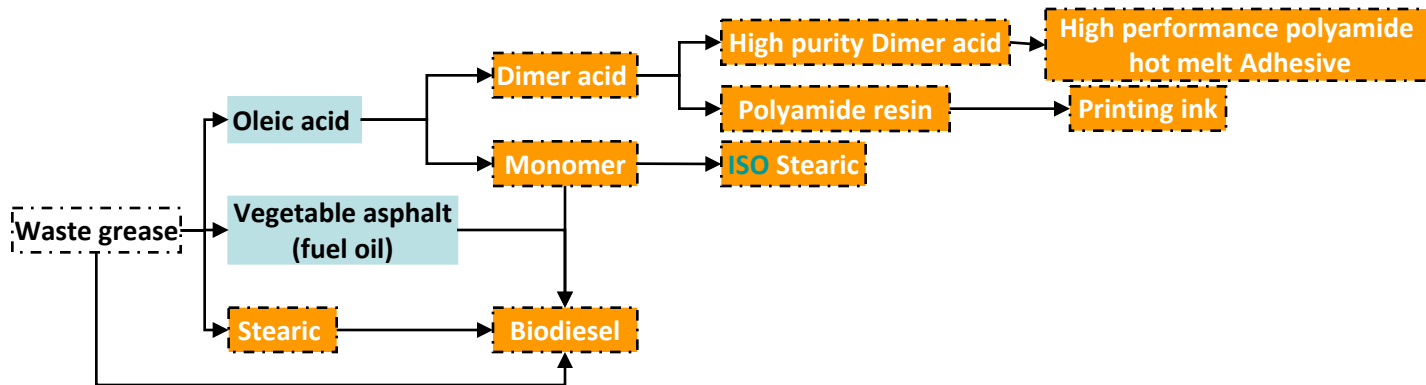
Production Technology



Biodiesel



Specialty Chemicals



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

Jiangyin Plant: Recent Photos



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

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 clean energy
- Leverage Company's new plant to meet demand from high volume customers
- Develop alternative markets such as power generation

In addition to the Specialty Chemical segment, the company is focused on growing its biodiesel segment.



Pro-Forma Production Capacity

	Capacity '000 Tons	AVG Selling Price (\$/Ton)*	Revenue Potential (\$Million)
Specialty Chemicals	40,000	\$1,535	\$61.4
	Capacity '000 Tons	AVG Selling Price (\$/Ton)*	Revenue Potential (\$Million)
Biodiesel	50,000	\$682	\$34.1

Comments

- **Biodiesel margin structure is improving**
- **Company expects to ramp up specialty chemicals capacity to 100% by end of 2010**

Note: These are pro-forma calculations and are not provided for guidance purposes. Actual results will depend on market conditions as well as other risk factors detailed in filings with SEC and available from <http://www.sec.gov>

*Q3 FY2010 actual prices

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.



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.

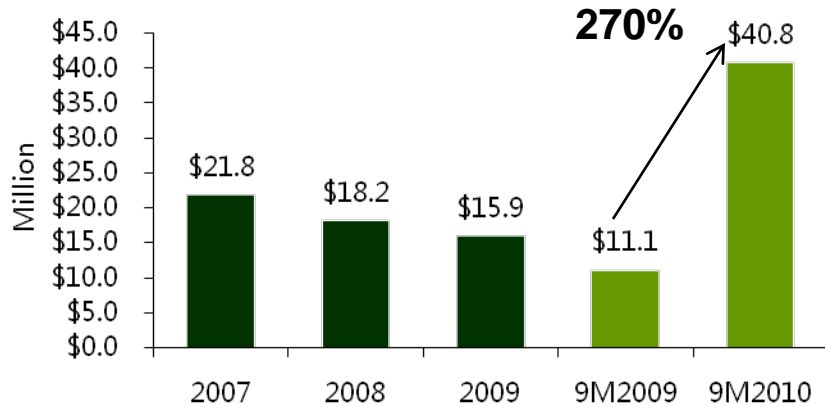
Management Team @ New Plant



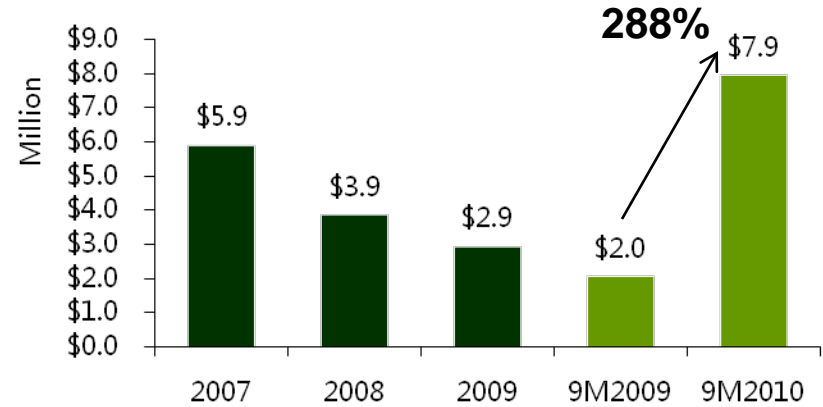
Key Performance Metrics



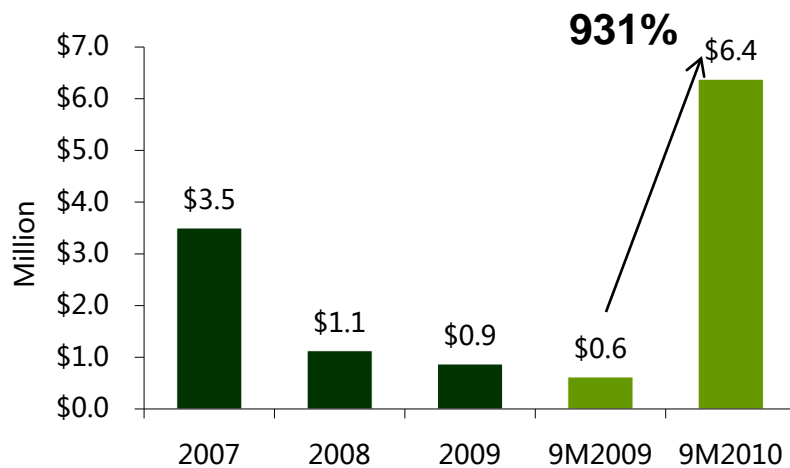
Net Revenue



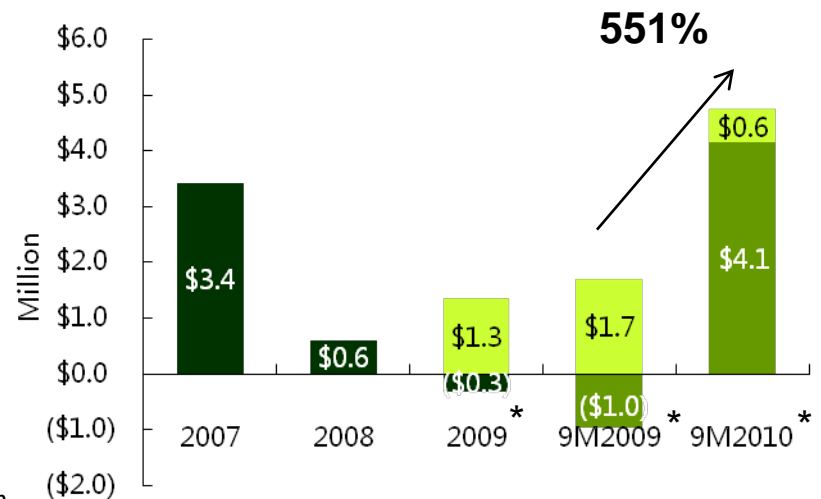
Gross Profit



Operating Profit



Net Income



* Note: Excluding change in fair value of warrant and stock-based compensation

Balance Sheet Summary



As of	31-Dec-07	31-Dec-08	31-Dec-09	30-Sep-10
	Audited	Audited	Audited	Unaudited
<i>\$ million</i>				
Assets				
Cash & Cash Equivalents	\$1.10	\$2.90	\$4.20	\$9.11
Account Receivables	\$2.80	\$1.10	\$1.80	\$3.26
Inventories	\$1.40	\$0.80	\$0.50	\$4.59
Current Assets	\$6.30	\$5.10	\$6.70	\$18.72
Total Assets	\$17.00	\$33.00	\$36.70	\$47.75
Liabilities				
Short-term Debt	\$1.20	--	\$3.10	\$2.50
Current Liabilities	\$2.00	\$1.10	\$3.70	\$5.42
Long-term Debt	\$0.20	\$0.20	--	\$4.18
Total Liabilities	\$2.30	\$1.10	\$5.00	\$11.10
Total Stockholders' Equity	\$14.80	\$31.90	\$31.70	\$36.65

Source: SEC filings



Reconciliation of Adjusted Net Income to Nearest GAAP Measure

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Net Income (Loss)	\$ 1,844,507	\$ (731,672)	\$ 4,144,269	\$ (951,988)
Add back (Deduct):				
Change in fair value of warrant	\$ 252,231	\$ 965,965	\$ 246,478	\$ 1,353,563
Stock-based compensation	\$ 106,315	\$ 83,030	\$ 318,945	\$ 321,553
Adjusted Net Income	\$ 2,203,053	\$ 317,323	\$ 4,709,692	\$ 723,128
Diluted EPS	\$ 0.06	\$ (0.02)	\$ 0.13	\$ (0.03)
Add back (Deduct):				
Change in fair value of warrant	\$ 0.01	\$ 0.03	\$ 0.01	\$ 0.04
Stock-based compensation	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.01
Adjusted EPS	\$ 0.07	\$ 0.01	\$ 0.15	\$ 0.02

Investment Thesis



Diversified Revenue and Customer Base

- Specialty Chemicals provides a hedge to optimize margins and lower business risk
- Exports sales further diversifies and strengthens customer base

High Growth Opportunity

- Biodiesel opportunity provides platform to accelerate growth, driven by economy, energy security and environment
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Experienced and Committed Management Team

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Thank You!



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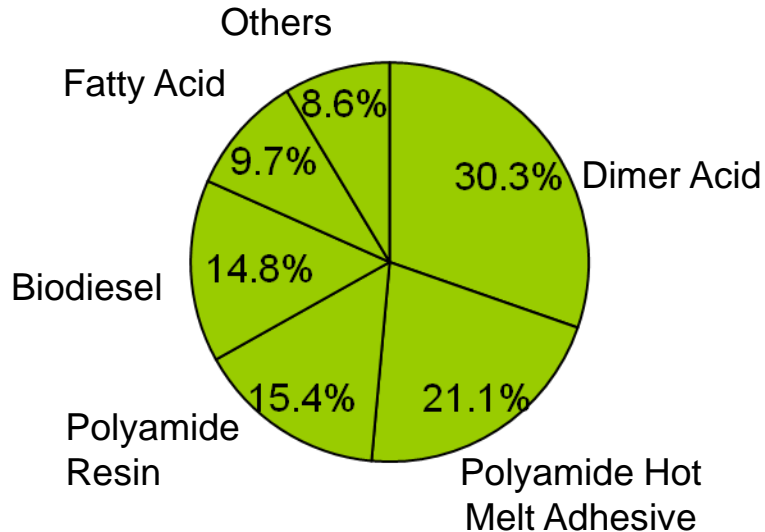
Email: Rick.Werner@haynesboone.com



Revenue Breakdown - 2009

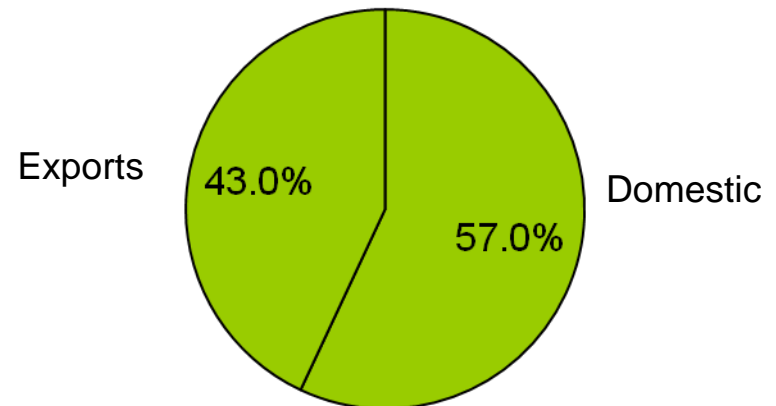
Products

100% = \$15.9 million



Markets

100% = \$15.9 million



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