JOINT ANNOUNCEMENT

by

China Energy Limited
(Company Registration No.: 200510060K)
(Incorporated in the Republic of Singapore)

and

Lianguo International Limited
(Company Registration No.: 1426420)
(Incorporated in the British Virgin Islands)

LEVEL OF ACCEPTANCES AND RIGHT OF COMPULSORY ACQUISITION

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1. INTRODUCTION

1.1 The board of directors (the "**Board**" or the "**CEL Directors**") of China Energy Limited (the "**Company**") and the sole director (the "**Sole Director**") of Lianguo International Limited (the "**Offeror**") refer to:

(a) the circular issued by the Company to its shareholders ("**Shareholders**") dated 13 August 2014;

(b) the exit offer letter dated 15 September 2014 ("**Exit Offer Letter**") in relation to the exit offer by the Offeror to acquire all the issued ordinary shares in the capital of the Company (the "**Shares**") held by all the Shareholders (the "**Exit Offer**");

(c) the announcements made by the Company on 23 September 2014 and 29 September 2014; and

(d) the joint announcements made by the Company and the Offeror on 11 November 2013, 15 September 2014, 26 September 2014, 3 October 2014 and 7 October 2014.

1.2 All capitalised terms used and not defined herein shall have the same meanings given to them in the Exit Offer Letter, unless otherwise expressly stated or the context otherwise requires.

2. LEVEL OF ACCEPTANCES

2.1 The Offeror wishes to announce that the total number of Shares (a) for which valid acceptances have been received as at 5:00 p.m. on 7 October 2014, (b) held by the Offeror and the parties acting or presumed to be acting in concert with it as at the Announcement Date, and (c) acquired or agreed to be acquired between the Announcement Date and up to 5:00 p.m. on 7 October 2014, by the Offeror and the parties acting or presumed to be acting in concert with it are as follows:

	Number of Shares	Percentage of total number of issued Shares[1] (%)
(a) Valid acceptances of the Exit Offer received (from Shareholders other than parties acting or presumed to be acting in concert with the Offeror) as at 5:00 p.m. on 7 October 2014	493,794,696	39.41
(b) Valid acceptances of the Exit Offer received (from parties acting or presumed to be acting in concert with the Offeror) as at 5:00 p.m. on 7 October 2014	654,351,400	52.23
(c) Shares held by the Offeror and its Concert Parties as at 11 November 2013, being the Announcement Date	654,351,400	52.23
(d) Shares acquired or agreed to be acquired by the Offeror and the parties acting or presumed to be acting in concert with it (other than pursuant to valid acceptances of the Exit Offer) between the Announcement Date and up to 5:00 p.m. on 7 October 2014	-	-

2.2 **Accordingly, based on information available to the Offeror, as at 5:00 p.m. on 7 October 2014, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror and the parties acting or presumed to be acting in concert with it, and (b) valid acceptances of the Exit Offer, amount to an aggregate of 1,148,146,096 Shares, representing approximately 91.64 per cent. of the issued Shares.**

3. RIGHT OF COMPULSORY ACQUISITION

3.1 Compulsory Acquisition by the Offeror under Section 215(1) of the Companies Act

Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Exit Offer (or otherwise acquires Shares during the period the Exit Offer is open for acceptance) in respect of not less than 90 per cent. of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Exit Offer and excluding treasury shares), the Offeror will have the right to compulsorily acquire, at the Exit Offer Price, all the Shares of the Shareholders who have not accepted the Exit Offer. As stated in the Exit Offer Letter, the Offeror intends to exercise its rights of compulsory acquisition.

[1] References in this announcement to the total number of issued Shares are based on 1,252,885,000 Shares in issue as at 7 October 2014.

As at 5.00 p.m. on 7 October 2014, the Offeror has received valid acceptances pursuant to the Exit Offer which amount to approximately 91.64 per cent. of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Exit Offer and excluding treasury shares). Accordingly, the Offeror is now entitled to, and will, exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of Shareholders who have not accepted the Exit Offer (the "Dissenting Shareholders"), at a price equal to the Exit Offer Price of S$0.052 in cash for each Share. The Offeror will, in due course, despatch to the Dissenting Shareholders the relevant documentation together with the prescribed notice under the Companies Act in relation to the exercise of its right of compulsory acquisition.

Subsequent to such compulsory acquisition, the Offeror will proceed to delist the Company from the Main Board of the SGX-ST.

3.2 **Dissenting Shareholders' right under Section 215(1) of the Companies Act**

As stated in the Exit Offer Letter, if the Offeror, its related corporations or their respective nominees acquire, pursuant to the Exit Offer, such number of Shares which, together with Shares held by the Offeror, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of Shares (excluding treasure shares), Dissenting Shareholders have the right to require the Offeror to acquire their Shares at the Exit Offer Price. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

4. CLOSING DATE

The Company and the Offeror had jointly announced on 7 October 2014, that the Closing Date of the Exit Offer will be extended from 5.30 p.m. (Singapore time) on 7 October 2014 to 5.30 p.m. (Singapore time) on 14 October 2014, or such other date(s) as may be announced from time to time by the Offeror. All other terms of the Exit Offer set out in the Exit Offer Letter remain unchanged. Shareholders who wish to accept the Exit Offer but have not done so may continue to do so by following the procedures for acceptance of the Exit Offer as set out in the Exit Offer Letter and the relevant Acceptance Forms.

5. RESPONSIBILITY STATEMENTS

The CEL Directors (including those who may have delegated detailed supervision of this joint announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this joint announcement which relate to CEL are fair and accurate and that no material facts in relation thereto have been omitted from this joint announcement, and they jointly and severally accept responsibility accordingly.

The Sole Director of the Offeror (who may have delegated detailed supervision of this joint announcement) has taken all reasonable care to ensure that the facts stated and all opinions expressed in this joint announcement (other than those relating to CEL and its subsidiaries) are fair and accurate and that no material facts in relation thereto have been omitted from this joint announcement, and accepts responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the CEL Directors and the Sole Director of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this joint announcement.

By Order of the Board of Directors of CEL	**By Order of the Sole Director of the Offeror**
Ong Kian Min **Lead Independent Director**	**Cui Lianguo** **Director**
CHINA ENERGY LIMITED	**LIANGUO INTERNATIONAL LIMITED**

7 October 2014