



NEWS RELEASE

CHINA ENERSAVE INKS DEAL TO SELL CARBON CREDITS

- *Group to capitalize on growing demand for Carbon Credits in Asia*

Singapore, 25 September 2006 – Singapore-based **China EnerSave Limited** (“China EnerSave” or the “Group”), one of the earliest entrants into the renewable energy sector in China, today announced that it has signed an agreement to sell the Certified Emission Reductions (“CERs” or “Carbon Credits”) that will be generated by its biomass power plants in China to EcoSecurities Group PLC (“EcoSecurities”), a UK-based company listed on London’s AIM Stock Exchange.

Under the Agreement, EcoSecurities will acquire all of the Carbon Credits generated annually by each of the Group’s biomass power plants, up to and including 2012.

Carbon Credits are units issued for emission reductions of greenhouse gases generated by Clean Development Mechanism projects under the Kyoto Protocol, which is an agreement that was signed by 37 industrialised countries in 1997. Each Carbon Credit unit is equal to one metric ton of CO₂-equivalent and can be monetized for sale to these industrialized countries.

Said Mr Simon Koo, China EnerSave’s Chief Executive Officer, “Our deal with EcoSecurities is expected to generate more interest in the economic benefits of pursuing ‘green’ energy projects in Asia.”

Said Marc Stuart, Co-Founder and Head of New Business Development for EcoSecurities, “We are pleased to enter into this agreement with China EnerSave, a Singapore-listed company with a substantial foothold in China’s emerging biomass-to-energy market. As a company with substantial capital committed to developing clean energy, we view these projects as strong contributions to China’s sustainable energy paradigm.”

China EnerSave presently has plans to build, operate and own biomass power plants in the agricultural provinces of Sichuan, Shandong, Hebei and Henan of China. Each of these plants will use agricultural residue to produce energy and have a power generating capacity of 24MW.

To-date, the Group has firmed up plans to build three biomass power plants in China – two in Sichuan province and one in Shandong province. Its first biomass power plant is expected to commence operations in 2008.

The Group has also signed several Memorandum of Understandings to build, operate and own biomass power plants in China. It is presently undertaking preliminary feasibility studies for these projects.

Said Mr Erik Chan, the Southeast Asia Coordinator for EcoSecurities, “Based on our projections for the period from 2008 to 2012, EcoSecurities expects to purchase in excess of S\$50 million of Carbon Credits from China EnerSave. We also have the first right of refusal to purchase additional Carbon Credits from the Group beyond 2012.”

The agreement with EcoSecurities is not expected to have any impact on China EnerSave’s financial performance for the Group’s current financial year ending 31 December 2006.

About China EnerSave Limited

Headquartered in Singapore, China EnerSave is a renewable energy service provider that is rapidly expanding its footprint in the renewable energy sector in China.

The Group also has an engineering division that has capabilities covering the full spectrum of design, construction, fabrication, installation, commissioning, operation and requisite management competencies related to the energy industry.

About EcoSecurities Group PLC

EcoSecurities, a UK-based company listed on the London’s AIM Stock Exchange is one of the world’s leading companies in the business of originating, developing and trading carbon credits. The organisation structures and guides greenhouse gas emission reduction projects through the Kyoto Protocol, acting as principal intermediary between the projects and the buyers of carbon credits. EcoSecurities works with companies in developing and industrialising countries to create carbon credits from projects that reduce emissions of greenhouse gases.

About Clean Development Mechanism and the Kyoto Protocol

The 1997 Kyoto Protocol commits industrialized countries to cut emissions of Green House Gases linked to global warming by an average of 5.2% below 1990 levels by 2008 to 2012. The Kyoto Protocol also established flexible mechanisms such that corporations are allowed to

purchase emission reductions from other countries to meet the Kyoto Protocol requirements. There are around 35 countries, including Japan, Australia and European countries, which have to meet targets for reduction of emissions set under the Kyoto protocol.

The trading of emission reductions with developing countries is covered under the CDM of the Kyoto Protocol. This has engendered an increasingly active carbon trading market and potential carbon revenues for developing countries such as China and India.

Emission reductions from a renewable energy project, such as China EnerSave's biomass power plant, refer to the decrease in carbon dioxide emissions through substitution of power and heat generation with fossil fuels by energy generation with biomass.

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