

FOUNTAINHEAD CAPITAL PARTNERS

Providing Advice and Funding Solutions for Growth Companies

FOUNTAINHEAD REVERSE MERGER COMPANY COMPLETES FUNDRAISING

China New Energy Group Company, formed through a merger with a Fountainhead entity in March 2008, completes \$9 million fundraising – August 20, 2008

China New Energy Group Company (“the Company”) is a vertically integrated natural gas company engaged in the development of natural gas distribution networks, the distribution of natural gas to residential and industrial customers in small and medium sized cities in China and the exploration and recovery of natural gas reserves.

The Company currently owns the exclusive rights to develop distribution networks to provide natural gas to industrial, commercial and domestic consumers in the cities of Dashiqiao, Acheng and Hunchun. Currently, these distribution networks provide natural gas to an aggregate of approximately 45,000 consumers in these cities, and anticipates that it will be able to extend these distribution networks to serve approximately 160,000 consumers by 2010.

The Company also owns the exclusive rights to develop a coal bed methane, or CBM, reserve near Hunchun, which contains approximately 3.3 billion cubic meters of CBM. It has successfully completed construction of an exploratory well and has begun preparations to construct two wells to provide natural gas to the City of Hunchun. It anticipates that two additional wells will be drilled in the near future to supply natural gas to as many as eight additional nearby cities.

The Company was formed through a share exchange transaction, on March 28, 2008, between Travel Hunt Holdings, Inc., an entity controlled by Fountainhead, and the stockholders of Willsky Development, Ltd., a British Virgin Islands corporation which in turn owns 99% of the outstanding capital stock of Tianjin SingOcean Public Utility Development Co., Ltd., or SingOcean. The Company subsequently changed its name to China New Energy Holdings Company.

The Company closed, on August 20 2008, a fundraising with China Hand Fund I. L.P. (“China Hand”), of \$9 million in convertible preferred stock. The fundraising also contemplates a possible additional closing where other investors would invest up to an additional \$5.4 million dollars on the same terms.

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About Fountainhead Capital Partners

Fountainhead Capital Partners Limited is an investment group based in Jersey, Channel Islands with partners based in the US and Europe. We invest in and raise funds for businesses that have a demonstrable growth story or niche market position. . In the last two years we have been involved in 10 transactions raising over \$220 million.

Fountainhead generally invests through an Alternative Public Offering structure that combines a reverse merger with an OTCBB Public Vehicle controlled by Fountainhead and a simultaneous PIPE funding. Recent transactions we have been involved in include: Arno Therapeutics, a \$20m funding for a clinical stage oncology company; Sino Shipping, a reverse merger to create a Chinese shipping group; NovaRay, a \$10m funding for an innovative developer of revolutionary digital x-ray technology for medical imaging; and Nile Therapeutics, a \$20m funding for a clinical stage biopharmaceutical company developing innovative product for the treatment of cardiovascular disease

Fountainhead’s role has varied from originator of the opportunity, investing in and raising capital (both in partnership with an investment bank and on our own), to purely providing the public vehicle for the transaction.

Actions speak louder than words so please contact us should you have a growth company that needs assistance in achieving its goals.