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## **Changfeng Awarded Exclusive Gas Distribution Rights to Sanya City**

Toronto, Ontario – March 4, 2008 - Changfeng Energy Inc. (“Changfeng”), through its wholly owned Chinese subsidiary Sanya Changfeng Offshore Natural Gas Supply Co. Ltd (“Changfeng China”), is pleased to announce that it has been formally recognized as the City of Sanya’s (“the City”) exclusive natural gas distributor through the signing of a concession agreement.

This concession agreement gives Changfeng China the exclusive right for piped gas distribution in the City for 30 years commencing Dec. 31, 2007 and includes any future geographical boundary increases. Changfeng China already owns and operates the City’s major natural gas pipeline networks, however this agreement ensures the Company will benefit from major future projects such as Haitang Bay.

According to Sanya City’s Haitangwan District Planning and Urban Design report, the new region will be developed as a world class tourist destination with a projected population of 250,000 by 2020 along the 25 km long beachfront. Estimated gas usage for this project will reach 40 MM M3 per annum which is twice the current volume consumed by Sanya City.

It is reported by the “China Hospitality News” that eleven internationally recognized hotel chains including Le Meridien have announced intentions to build five star hotels on the beachfront. Both Hainan province and the City are publicly committed to expedite the development of Haitang Bay.

Changfeng China is currently completing Stage One construction plans, which include the building of a gas storage station, local low to mid pressure distribution pipelines to hotel sites and pressure regulating stations. The project is being funded through a combination of proceeds from the recently completed private placement, internally generated working capital and long term debt. Construction is expected to start in the second half of 2008.

### **About Changfeng Energy Inc.**

Changfeng is engaged in the design and construction of natural gas distribution networks and the distribution of natural gas to commercial and residential customers in the greater Sanya City region of Hainan Province, China. The Company is headquartered in Toronto, Ontario and its shares trade on the TSX Venture Exchange.

This press release contains forward-looking statements based on current expectations. These forward-looking statements entail various risks and uncertainties that could cause actual results to differ materially from those reflected in these forward-looking statements. Risks and uncertainties about Changfeng’s business are more fully discussed in the Company’s disclosure materials, including its information circular and MD&A, filed with the securities regulatory authorities in Canada. All amounts are stated in Canadian dollars except for noted otherwise.

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The TSX Venture Exchange has not reviewed this release and it does not accept responsibility for its adequacy or accuracy.