

Changfeng Reports Q2 Results, Revenues Up 67%

Aug. 26, 2008. Changfeng Energy Inc. (“Changfeng” TSXV: CFY) reports revenue of \$2,967,558 for the three month period ended June 30, 2008 compared to \$1,778,508 for the same period in 2007 representing a 66.9% increase.

Gross margin for the second quarter in 2008 was 54.1% versus 59.6% in 2007. The decreased margin was due to a significant increase in lower margin connection revenue as the Company connected 49.4% more residential customers and 25% more commercial customers over the same period last year.

Net income for the second quarter was \$1,537 or \$0.00 per share compared to a net loss of \$414,040 or \$0.025 per share for the same period in 2007. Historically, the second quarter has been the slowest of the calendar year for the Company in terms of operating activities and revenues.

Cash flow for the quarter was \$222,006 compared with negative cash flow of \$108,336 in 2007.

Revenue growth came from higher connection revenue as noted above and a 76.9% increase in natural gas sales to residential customers while commercial customers’ purchases rose 33.7%.

For the first half of 2008, the Company generated total revenue of \$5,933,649 compared to \$4,055,648 for the same period in 2007 representing a 46.3% increase. Net income was \$244,252 for the period compared to a net loss of \$450,098 for the same period in 2007.

The Yalong Bay pipeline extension was completed in July following a four week construction delay due to Sanya City’s participation in the Torch Rally and related Olympic events. Currently Changfeng is working on last mile ground work to the hotels and resorts and expects gas sales to commence by year end.

About Changfeng Energy Inc.

Changfeng is engaged in the design and construction of natural gas distribution networks and 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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