
Changfeng Reports Significant Growth in Q2 Profit and Margins

TSXV symbol: CFY

August 20, 2009. Changfeng Energy Inc. (“Changfeng” or the “Company”) today reported financial results for the three months ended on June 30, 2009. All amounts are in Canadian dollars.

During the quarter Changfeng generated total revenues of \$3,742,368 compared to \$2,967,558 for the same period in 2008 representing a 26% increase. The gross profit margin for the period was 62% versus 54% in the same period last year.

Net income for the second quarter was \$128,304 or \$0.002 per share compared to \$1,537 or \$0.00 per share for the same period in 2008.

At the end of Q2 2009 the Company had 42,531 residential customers connected representing a 36% increase over the year and 408 commercial customers connected representing a 28% increase over the 12 month period.

The Company’s CNG project continues to advance with the commencement of construction of the first CNG station. An additional 2 stations of the 7 planned for construction are going through the government’s final approval process. The Company has secured the required gas supply for the first group of stations (11 MM M3 of CNG) and recently has secured an additional 3.56 MM M3 of CNG for the project.

“For the balance of the year, Changfeng will continue its steady growth in the Sanya region, and increase its focus on mainland development through the establishment of strategic partnerships in the CNG filling station and urban pipeline natural gas construction and distribution business. We will continue to add more customers in Sanya City and increase gas sales in the region. We will continue our efforts to secure additional gas supply for our Yalong Bay, Haitang Bay and Industrial Park projects. Sanya City’s estimated annual gas consumption for the entire region will increase to 120 MM M3 (from the current ~30 MM M3 level) within the next five years.” Said Mr. Huajin Lin, Chairman and CEO of the Company.

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.

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