

## **Changfeng Announces a Proposed Joint Venture with CNPC Kunlun Natural Gas Exploitation Co. Ltd. for Natural Gas Business in Guangdong Province, China**

**March 29, 2012**

Toronto, Ontario, March 29, 2012, – Changfeng Energy Inc., (TSXV: CFY) (“Changfeng” or the “Company”), is pleased to announce today that the Company will establish a joint venture with CNPC Kunlun Natural Gas Exploitation Company Limited (“CNPC Kunlun Exploitation”), a wholly-owned subsidiary of PetroChina (or “CNPC”), to jointly develop natural gas distribution business in four prefecture-level cities in Guangdong Province, China, including Zhaoqing City, Jiangmen City, Foshan City and Zhuhai City (collectively “Western Guangdong Area” or “Yuexi Area”).

The intended joint venture will be named Guangdong CNPC Kunlun Changfeng Investment Co., Ltd. and will be based in Guangzhou city, the capital city of Guangdong province. The registered capital of the intended joint venture will be RMB30,000,000 (approximately \$4,690,000). Changfeng will own 49% and CNPC Kunlun Exploitation will own 51% of the intended joint venture.

The intended joint venture will be engaged in (i) constructing and operating the gas transmission pipelines and associated facilities (the “Pipelines”) which will link from the existing and/or planned provincial trunk lines to industrial users, power generators and/or urban pipeline natural gas operators within Yuexi Area, and (ii) delivering and selling natural gas to those users through the Pipelines and the provincial trunk lines.

CNPC Kunlun Exploitation has received regulatory approval from the Guangdong Provincial Development and Reform Commission (“Guangdong DRC”) to develop this project.

The establishment of the intended joint venture is subject to the satisfaction of feasibility study and the approval from the head office of PetroChina. A joint project team delegated by both parties is conducting a market assessment.

### **Location of the Proposed Project**





### **About CNPC Kunlun Natural Gas Exploitation Company Limited**

CNPC Kunlun Exploitation is a wholly owned subsidiary of PetroChina Company Limited (“PetroChina”) (a company listed on the main board of Stock Exchange (HK.0857)), CNPC Kunlun Exploitation is responsible to implement the gas resources target of the respective joint venture company accounting to the relevant requirement and procedures of PetroChina, and will be responsible for the connection of relevant supply interface of natural gas pipeline openings of PetroChina. CNPC Kunlun Exploitation, in reliance of the overall strength of PetroChina, is to actively provide relevant support for the joint venture company.

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

Changfeng Energy Inc. is a natural gas service provider with operations located throughout the People's Republic of China. The Company services industrial, commercial and residential customers, providing them with natural gas for heating purposes and fuel for transportation. The Company has developed a significant natural gas pipeline network as well as urban gas delivery networks, stations, substations and gas pressure regulating stations in Sanya City and Haitang Bay. Through its network of pipelines, the Company provides safe and reliable delivery of natural gas to both homes and businesses. The Company is headquartered in Toronto, Ontario, and its shares trade on the Toronto Venture Exchange under the trading symbol “CFY”. For more information, please visit the Company website at [www.changfengenergy.com](http://www.changfengenergy.com).

### **For further information please contact:**

Mr. Kevin Ming Zhang

Changfeng Energy Inc.  
Chief Financial Officer  
Tel:(416) 362-5032  
Fax: (416) 362-2393  
Email:kevin@changfengenergy.com

Ms. Ann S.Y. Lin

Changfeng Energy Inc.  
Corporate Secretary  
Tel:(416) 362-5032  
Fax: (416) 362-2393  
Email: ann@changfengenergy.com

### **Forward-Looking Statements**

Information set forth in this news release may involve forward-looking statements under applicable securities laws. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this document are made as of the date of this document and the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation. Although Management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. This news release does not constitute an offer to sell or solicitation of an offer to buy any of the securities described herein and accordingly undue reliance should not be put on such.

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