



Changfeng Obtains RMB 20 million Term Loan from the Bank of China To Support Its Xiangdong Project

December 21, 2012

Toronto, Ontario, December 21, 2012 – Changfeng Energy Inc. ("Changfeng" or the "Company") (TSX-V: CFY), a natural gas utility in China, announced today that the Company has entered into a six-year secured term loan in the amount of RMB 20 million (approximately \$3.2 million) (the "Term Loan") with the Bank of China, Pingxiang Branch ("BOC, Pingxiang"). The Term Loan will be used to fund the construction of pipelines and associated facilities for its Xiangdong Project in the Xiangdong district, Pingxiang city, Jiangxi Province, China.

The Term Loan will have a six-year term from the effective date of the first initial withdraw, and bear interest of 120% prime rate set by the People's Bank of China (the central bank of China). The Term Loan will be secured by the fixed assets, land use rights and buildings in the Xiangdong Project and jointly guaranteed by Sanya Changfeng Offshore Natural Gas Distribution Co., Ltd. ("Sanya CF"), a wholly-owned subsidiary of the Company in Sanya city, Hainan Province, China.

"We are very pleased with our successful Term Loan financing for the Xiangdong Project," stated Mr. Huajun Lin, Chairman and CEO of the Company. "As our first pipelined gas project in Mainland China, it proves the sustainability of our business development model and demonstrates the capability and professionalism of our team members as well. Additionally, we are pleased to see the continued support and confidence in our business by the Bank of China."

About Changfeng Energy Inc.

Changfeng Energy Inc., is a local natural gas distribution company ("LDC" or natural gas utility) with operations located throughout the southern part of People's Republic of China. The Company serves 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 & 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

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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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