



Changfeng Signs First Natural Gas Sales Contract with a Major Ceramic Manufacturer in the Xiangdong District of Its Xiangdong Project

December 27, 2012

Toronto, Ontario, December 27, 2012 – Changfeng Energy Inc. ("Changfeng" or the "Company") (TSX-V: CFY), a natural gas utility in China, announced that the Company has entered into a gas sales contract with a key customer at the Xiangdong ceramic industrial park, Pingxiang city, Jiangxi province.

According to the contract, the Company will supply a total of 1 million cubic metres (approximately 35.3 million cubic feet) of natural gas per year to the customer at a price promulgated by the Development & Reform Commission of Pingxiang city. Gas payments will be made by the customer on pre-paid basis through an IC card system. The Company will collect a connection fee for installing the service pipeline and connecting the gas supply system to the customer within a month of the date the contract was signed.

Currently the Company is conducting the pre-operation testing and safety inspection of the pipeline and system. The Company expects to start commercial operation in January 2013.

"We are very delighted and excited to secure a gas sales contract with the customer at the industrial park," stated Mr. Huajun Lin, Chairman and CEO of the Company, "A good start, this is the first major gas sales contract signed for the Xiangdong project before it is in commercial operation and we anticipate that we will secure more major sales contracts with customers in the future."

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

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