CHANGFENG ENERGY INC
长丰能源有限公司

Changfeng Revenue up 26%, Gross profit up 27% and net income up 14% for year ended December 31, 2013.

April 25, 2014

Toronto, Ontario, April 25, 2014 – Changfeng Energy Inc., (TSXV: CFY) ("Changfeng" or the "Company"), is pleased to announce that the Company has filed its audited consolidated financial statements for the fiscal year ended December 31, 2013. The audited consolidated financial statements and Management Discussion and Analysis can be downloaded from www.SEDAR.com or from the Company's website at www.changfengenergy.com.

Summary of Consolidated Financial Results for Fiscal Year Ended December 31, 2013 and 2012

In thousands of Canadian dollars except percentages and per share amounts	2013	2012	Change	%
Revenue	42,049	33,273	8,776	26%
Gross margin	19,998	15,775	4,243	27%
Other operating income	-	717	(717)	-100%
Net income	2,814	2,478	336	14%
EBITDA (1)	9,806	8,006	1,800	22%
Adjusted net income (1) (2)	2,814	1,935	879	45%

Note:
(1) See Non- GAAP Financial Measures in this Press Release.
(2) The adjusted net income for 2012 excludes a one-time government grant of $543,000, net of tax.

Sales revenue from the gas distribution utility for 2013 was $34.2 million, an increase of $6.5 million, or 23%, from $27.7 million in 2012. This increase is mainly attributable to increased gas volume sold including newly added gas volume sold in Xiangdong operation, higher average selling price to industrial and commercial residents in the Sanya operation, higher pipeline connection revenue, as well as Chinese RMB appreciation.

Sales revenue from the CNG refueling retail station for 2013 was $7.9 million, an increase of $2.3 million, or 41%, from $5.6 million in 2012. The significant increase was attributable to the combined effect of the increased gas volume sold (13.3 million m^3 in 2013 compared to 10.1 million m^3 in 2012) and higher average selling prices. Effective August 13, 2012, the local natural gas pricing authority approved a 15% price increase for CNG retail stations in Changsha City as a response to a gasoline price increase. In addition, the Company has been upgrading its station's refueling capacity to meet the increasing demand that is primarily driven by both rising gasoline prices and continued government support for clean energy vehicles. It is expected that more existing gasoline-fueled buses in the city will be converted into dual-fuel vehicles (gasoline/CNG).

Gross margin for 2013 was $20.0 million, an increase of $4.2 million, or 27%, from $15.8 million in 2012. The gross margin percentage of 48% for 2013 is approximately the same as for 2012.

Gas distribution utility gross margin as a percentage of sales year-over-year improved 1% (53% for 2013 VS 52% for 2012) reflecting the reduced volume of gas purchased at market rate prices and higher-value commercial customers from the Haitang Bay district in the Sanya Region. The CNG refueling station gross margin as a percentage of sales year-over-year increased 3% (25% for 2013 VS 22% for 2012) primarily to selling price increases.

General and administrative expenses for 2013 were $9.3 million, an increase of $1.8 million, or 24%, from $7.5 million in 2012. The increase was attributable to higher employee salaries and benefits as a result of a higher inflation rate in China, additional employees, and higher conference and professional fees. General and administrative expenses as a percentage of sales for 2013 were 22% which is approximately the same as for 2012.

Travel and business development expenses for 2013 were $3.3 million, an increase of $0.4 million, or 13%, from $2.9 million in 2012. As a percentage of sales, travel and business development expenses for 2013 was 8%, a decrease from 9% in 2012. These expenses normally fluctuate with travel and business development activities in mainland China as the Company seeks to develop new projects in close proximity to the new national pipelines.

Net income for fiscal 2013 was $2.8 million, or $0.045 per share (basic and diluted) compared to $2.5 million or $0.038 per share (basic and diluted) in 2012.

EBITDA (non-GAAP measure as identified and defined under section “Non-GAAP Measures”) for fiscal 2013 was $9.8 million, an increase of $1.8 million, or 22%, from $8.0 million for 2012. The increase was driven primarily by higher sales. EBITDA as a percentage of revenue for 2013 was 23%, compared to 24% in the same period in 2012. This decrease is largely attributable to the other operating income earned in 2012.

Adjusted net income (non-GAAP measure as identified and defined under section “Non-GAAP Measures”) for fiscal 2013 was $2.8 million, compared to $1.9 million for the same period in 2012 as increase of 45%.

Financial Position

Cash increased by $8.8 million to $15.2 million at December 31, 2013 from $6.4 million at December 31, 2012.

Net cash provided by operations was $10.0 million for fiscal 2013 compared to $8.4 million in 2012.

Cash provided by financing activities in 2013 included a $10.0 million withdrawal from the term loan facility and $3.3 million from line of credit, offset by the short term loan payment of $5.0 million, $0.8 million term loan principal payment and $0.5 million paid for the share buyback.

Cash used in investing activity included capital expenditures of $9.3 million for fiscal 2013 compared to $6.3 million in 2012. The expenditures were mainly related to the purchase of equipment for the Xiangdong project and the on-going construction of pipeline networks to connect new customers in the Sanya region.

Non-GAAP Financial Measures

The Company uses the following non-GAAP financial measures: EBITDA and adjusted net income. The Company believes these non-GAAP financial measures provide useful information to both management and investors in measuring the financial performance and financial condition of the Company for the reasons outlined below.

Management uses these non-GAAP financial measures to exclude the impact of certain expenses and income that must be recognized under GAAP when analyzing consolidated operating performance, as the excluded items are not necessarily reflective of the Company's underlying operating performance and make comparisons of underlying financial performance between periods difficult. From time to time, the Company may exclude additional items if it believes doing so would result in a more effective analysis of underlying operating performance. The exclusion of certain items does not imply that they are non-recurring.

These measures do not have a standardized meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with GAAP. These measures are listed and defined below:

EBITDA

EBITDA is defined herein as income before income tax expense, interest expense, depreciation and amortization, share of loss of investment in associate, as well as non-cash stock-based compensation expense. EBITDA does not have any standardized meaning prescribed by IFRS and therefore may not conform to the definition used by other companies. A reconciliation of net income to EBITDA for each of the periods presented as follows:

In thousands (except for % figures)	2013	2012	Change	%
Net Income	2,814	2,478	336	14%
Add (less):				
Income tax	2,594	1,886	708	38%
Interest (income) expense	(37)	26	(63)	-242%
Share of loss of investment in associate	1	24	(23)	-95%
Stock-based compensation	382	180	202	112%
Amortization	2,414	1,959	455	23%
Interest on borrowing	1,638	1,453	185	13%
EBITDA	**9,806**	**8,006**	**1,800**	**22%**

CHANGFENG ENERGY INC
长丰能源有限公司

Adjusted net income

Adjusted net income is calculated as net income before other operating income. Other operating income represents a government grant received by the Company. There is no guarantee that the Company will receive this government grant every year. Changfeng believes that adjusted net income is a useful supplemental measure of the Company's operating results.

The calculation of adjusted net income is provided in the table below:

In thousands of Canadian dollars except percentages and per share amounts	2013	2012
Net income	2,814	2,478
Less: Other operating income, net of tax	-	543
Adjusted net income	**2,814**	**1,935**

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 & 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

For further information please contact:

Mr. Yan Zhao CPA. CA
Chief Financial Officer

416.362.5032/647.528.0115
yan.zhao@changfengenergy.com

Ms. Ann S.Y.Lin
VP, Corporate Development and Corporate Secretary
416.362.5032
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.

- End -