



Changfeng enters into natural gas purchase and sale agreement with PetroChina for Xiangdong Project

December 16, 2014

Toronto, Ontario, December 17, 2014 – Changfeng Energy Inc. ("Changfeng" or the "Company") (TSX-V: CFY), is pleased to announce that, further to its press release dated November 23, 2011, the Company has entered into a natural gas purchase and sale agreement (the "Agreement") with PetroChina Company Ltd. ("PetroChina") regarding the purchase and sale of piped natural gas in 2015 and thereafter for its Xiangdong Project to meet the natural gas quota (the "Quota Gas") approved by the Jiangxi Provincial Bureau of Energy in 2011. Under the terms of the Agreement, PetroChina agreed to supply the qualified Quota Gas up to a volume of 50 million m³ to the Company in 2015. Thereafter, Changfeng and PetroChina will negotiate the annual volume of natural gas to be purchased by the Company from PetroChina in five year periods by the end of June in the year prior to each five year period.

Under the terms of the Agreement, the Company is also required to commission contract with Jiangxi Provincial Natural Gas Investment Co., Ltd. (the "Carrier"), the official natural gas terminal receiver appointed by the Government of Jiangxi Province, for the Carrier to transmit the purchased gas from PetroChina's Second West-East Pipeline ("WEP II") to the Company's gate station. The Carrier is responsible for the construction of the branch pipeline of approximately 15 kilometers connecting the WEP II and the Company's gate station in Xiangdong. After the construction of the Carrier's branch pipeline is completed, the Agreement will allow the Company to significantly reduce the quantities of relatively expensive CNG it has been required to purchase to supply its operations in Xiangdong.

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



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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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