



Changfeng Amends the Loan Discharge Agreement with Companies Controlled by Mr. Huajun Lin, the Chairman, Chief Executive Officer and President of Changfeng

October 14 2015

Toronto, Ontario, October 14, 2015 – Changfeng Energy Inc. ("Changfeng" or the "Company") (TSX-V: CFY), announces that it has made amendments to the Loan Discharge Agreement as announced in its September 23, 2015 press release, at the request of the TSXV. The transaction contemplated by the amended Loan Discharge Agreement has the same economical effect as the original agreement but complies better with the governing policies of the TSXV.

The amended Loan Discharge Agreement between Changfeng and the Lenders provides for an absolute discharge of the Loans, in exchange for the issuance by Changfeng to the Lenders of 15,000,000 preferred shares of Changfeng. These preferred shares will be non-dividend bearing, are not convertible, will have one vote per share, will not be redeemable or retractable by the holder, will be redeemable at the option of Changfeng at \$0.32 per share until April 27, 2025, and thereafter at \$0.40 per share, must be redeemed by the Company at a price of \$0.32 per share until April 27, 2025, and thereafter \$0.40 per share, in the event of a change of control of the Company or a sale of substantially all of its assets, and would have a liquidation preference before the holders of the common shares, and have a fixed liquidation value of \$0.32 cents until November 15, 2030 and \$0.533 per share thereafter. Upon issuance of these preferred shares, the voting rights in Changfeng of entities controlled by Mr. Lin will increase from approximately 55% to approximately 63.6%.

In order to create the preferred shares to be issued pursuant to the Loan Discharge Agreement, Changfeng will be required to amend its Articles of Incorporation to create the preferred shares. This will require a shareholder approval by Special Resolution, requiring the affirmative votes of not less than 66 $\frac{2}{3}$ % of shares voted on the Special Resolution.

The transaction contemplated by the amended Loan Discharge Agreement has now been accepted by the TSXV. Completion of the transactions contemplated by the amended Loan Discharge Agreement remains subject to receipt of the above shareholder approval.



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. MBA
Chief Financial Officer

416.362.5032

yan.zhao@changfengenergy.cn

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

416.362.5032

siyin.lin@changfengenergy.cn

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.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

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