

NEWS RELEASE

November 23rd, 2015

**Changfeng Announces
(i) Implementation of Tier Pricing in Sanya Region,
(ii) Lowering of the City Gate Natural Gas Prices and
Changes in City Gate Pricing Mechanism in China**

Changfeng Announces the Implementation of Tier Pricing Mechanism for Residential-use Natural Gas in Sanya Region Effective November 2015; Changfeng Received an Announcement Regarding Lowering City Gate Price of Natural Gas for Non-residential Use, and Changes in City Gate Pricing Mechanism Effective November 20th, 2015.

Toronto, Ontario, November 23rd, 2015 – Changfeng Energy Inc. (TSXV: CFY) (“Changfeng” or the “Company”), a natural gas utility in China, has announced the implementation of the Tier Pricing Mechanism (‘TPM’) for residential-use natural gas in Sanya Region, which has been approved and announced by Sanya Municipal Price Bureau, effective November 2015. Changfeng has also received the announcement of the lowering of the city gate natural gas prices and changes in city gate pricing mechanism, which has been issued by the National Development and Reform Commission (“NDRC”) of the People’s Republic of China.

(i) As per the TPM, for a household of 4 residents or under, natural gas distributed to the household calculated on a defined full-year cycle basis will be charged at a Tier 1 rate of RMB 2.6 per m^3 for the first $260m^3$, Tier 2 rate of RMB 3.12 per m^3 for the usage of $260-390m^3$, and Tier 3 rate of RMB 3.9 per m^3 for the usage over $390m^3$. The full-year cycle used to calculate the total annual gas volume consumption starts from November 1st, 2015, to October 30th, 2016, and no accumulation or transferring of gas consumption will be allowed between two defined full year cycles. For households of 5 residents and above, the flat rate of RMB 2.86 per m^3 applies without implementing the TPM. The flat rate also applies to state-owned enterprises, schools, non-profit medical institutions, and retirement residences. And with regard to registered low-income households, an annual usage of $20m^3$ natural gas per household will be free of charge and directly deducted from the gas bill.

The implementation of the TPM could slightly increase the Company’s sales in the Sanya Region in the long term. The additional sales will be used to upgrade the household meter systems and to provide a more secure gas supply to the residential users.

(ii) Changfeng has received an announcement issued by the NDRC, which announced a city gate price decrease of RMB 700 per $1,000 m^3$ in natural gas for non-residential use in China, effective on November 20th, 2015. In addition, the city gate pricing of natural gas for non-residential use is to be administered by benchmark city gate pricing rather than by the currently implemented highest city gate pricing. The ultimate goal of this reform is to give a more flexible



and market-oriented natural gas pricing mechanism and to accelerate fair competition in the natural gas market.

The decrease of the city gate price and more flexible pricing mechanism would be likely to attract more natural gas users in the Company's Changsha and Xiangdong operations.

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

905.762.1441/647.528.0115
yan.zhao@changfengenergy.com

Ms. Ann S.Y. Lin
VP, Corporate Development &
Corporate Secretary
905.762.1441
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.

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.

- End -