



Changfeng Announces That it is Not Proceeding with the Previously Announced Loan Discharge Transaction

January 12th, 2016

Toronto, Ontario, January 12th, 2016 – Further to the press release of Changfeng Energy Inc. ("Changfeng" or the "Company") (TSX-V: CFY) dated December 4, 2015, Changfeng today announced that its Board of Directors has determined not to proceed at this time with the previously announced loan discharge transaction pursuant to which approximately \$8 million (RMB 40 million) of indebtedness of its subsidiary Sanya Changfeng Offshore Natural Gas Supply Co., owed to certain related parties, was to be discharged in exchange for the issuance of preferred shares of the Corporation (the "Transaction").

A major reason for the Transaction was to clean up the Corporation's balance sheet at December 31, 2015. The Corporation was unable to achieve that result by December 31, 2015, and the agreement for the discharge of the loan indebtedness has now expired in accordance with its terms.

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.

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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