



Changfeng Formalized and Signed the Gas Supply Contract With CNOOC

March 31st, 2016

Toronto, Ontario, March 31st, 2016 – Further to the press releases dated December 4th, 2015 and December 30th, 2015, Changfeng Energy Inc. (TSX-V: CFY) (“Changfeng” or the “Company”) announces that its wholly owned subsidiary, Sanya Changfeng Offshore Natural Gas Distribution Co., Ltd. has finalized and signed the Gas Supply Contract (the “Contract”) with Hainan Fuel Chemical Co., Ltd., a subsidiary of China National Offshore Oil Corporation (“CNOOC”). A gas quota of approximately 25 million m^3 (883 million ft^3) will be secured and provided to the Company in 2016 at a favorable price by CNOOC.

The price under the new Contract, while higher than under the previous 24 million m^3 gas quota with CNOOC, remains favorable compared with the market price. It is expected that the gross margin for gas distribution utility in Sanya for 2016 will be lower than in previous years. It is anticipated that a new gas supply contract will be signed when this Contract expires.

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 and
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.

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