



Changfeng Enters into a Statement of Intent for Cooperation with EDF Group for Energy Utilization Projects in Sanya City

May 31st, 2016

Toronto, Ontario, May 31st, 2016 – Changfeng Energy Inc., (TSXV: CFY) (“Changfeng” or the “Company”), a natural gas utility in China, is pleased to announce that, Sanya Changfeng New Energy Investment Co., Ltd., a wholly owned subsidiary of Changfeng, has entered into a Statement of Intent for Cooperation (the “Statement”) with EDF (China) Holding Ltd., a subsidiary of Electricité de France (the “EDF Group”) to jointly pursue energy utilization and low carbon energy projects in Haitang Bay area (“Haitang Bay”) of Sanya City, China.

Based on the Statement, Changfeng and EDF Group will further discuss the feasibility to establish a Joint Venture Company (the “Joint Venture”) and jointly invest and operate in energy utilization projects in Sanya City. Changfeng and EDF Group respectively will own 50% each of the Joint Venture. This Statement creates no new legal obligations for Changfeng or the EDF Group.

Electricité de France (the “EDF Group”)

The EDF Group is the world's biggest electricity generator. It covers every sector of expertise, from generation to trading and transmission grids. For almost 20 years, the EDF group has been aggressively developing business in China, and established a China division in Beijing. The EDF Group's activities in Asia (China, Thailand, Vietnam, Laos) are part of its deliberate growth strategy. Under this strategy, the EDF Group is involved in long-term projects, which reflect the spirit of co-operation and partnership, and a commitment to the Group's corporate and environmental values.

Haitang Bay

Haitang Bay is one of the five major bays in Sanya City, Hainan Province. It is a flagship project being promoted by the Hainan provincial government to build Hainan Island into an international tourism destination by 2020. The size of the Haitang Bay development area is estimated at 98.7 square km and includes approximately 24 km of beachfront. It is planned to build this area into a new township and house with more than twenty (20) five-star hotels by 2020. Haitang Bay will be a fully developed world-class vacation township with a population of 250,000. The city has estimated that gas usage in this area will exceed 60 MM M3 per annum by 2020. Changfeng has received the approval to build an LNG storage plant in the Haitang Bay. Currently, there are twelve newly built hotels, including the Hilton, and Sheraton-chains, in operation and using the natural gas supplied by Changfeng.



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

416.362.5032
yan.zhao@changfengenergy.com

Ms. Ann S.Y. Lin
VP, Corporate Development and
Corporate Secretary
416.362.5032
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 -