

Changfeng Enters into a Statement of Intent for Cooperation with the Sanya Municipal Government and EDF Group for Integrated Energy System Program in Sanya City, Hainan Province

August 4th, 2016

Toronto, Ontario, August 4th, 2016 – Changfeng Energy Inc., (TSXV: CFY) (“Changfeng” or the “Company”), an energy service provider in China, is pleased to announce that, Sanya Changfeng New Energy Investment Co., Ltd., a wholly-owned subsidiary of Changfeng, further to its previously announced Statement of Intent dated on May 31st, 2016 for Cooperation with EDF (China) Holding Ltd., a subsidiary of Electricité de France (the “EDF Group”), has entered into a Statement of Intent for Cooperation (the “Statement”) with the Sanya Municipal Government and EDF Group to jointly pursue the integrated energy system program in Sanya City, Hainan Province.

According to the Statement, the Sanya Municipal Government, EDF Group and Changfeng, will cooperatively develop the integrated energy system projects in order to promote a low carbon and energy intelligent urban city. The Sanya Municipal Government is also in support of an integrated energy project in Haitang Bay Area of Sanya City as proposed by EDF Group and Changfeng. Changfeng and EDF Group will further discuss the feasibility of establishing a joint-venture company (the “Joint Venture”) and jointly invest and operate in the integrated energy program in Sanya City. The Statement creates no new obligations for any of the three parties.

Sanya Municipal Government

Sanya City, a well-known tropical seashore tourism city, has been listed as a low carbon pilot city by Hainan Provincial Government in 2010. Six-in-one urban planning objectives to achieve a low carbon economy, low carbon transportation, low carbon construction, low carbon lifestyle, low carbon environment and low carbon society has been progressively promoted with policies, strategies and action plans.

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.

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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