

Changfeng's Xiangdong Pipelined Gas Distribution Project Has Successfully Completed its Preoperational Inspection and Safety Testing

January 23, 2013

Toronto, Ontario, January, 23 2013 – Changfeng Energy Inc. ("Changfeng" or the "Company") (TSX-V: CFY), a natural gas utility in China, announced today that the Company has completed the preoperational inspection and safety testing of its Xiangdong pipelined gas distribution project (the "Xiangdong Project") located in the Xiangdong district, Pingxiang city, Jiangxi Province, China. As a result, the pipeline and its facilities are ready for the commercial natural gas distribution.

The Xiangdong Project, the Company's first pipelined gas distribution project in Mainland China, was launched in early 2010 and the first phase of construction of this project inside the Pingxiang Industrial Ceramic Park (the "Park") commenced in November 2011. To date, approximately 7.5 kilometers (4.66 miles) of pipeline has been buried underground, and a set of CNG (compressed natural gas) pressure regulators and gas processing facilities were installed.

Figure 1: An on-site technician is checking the pressure regulator.



Figure 2: From left to right, representatives from Changfeng, the local customer, and the local government participated in igniting the gas for safety testing in the Park.





About Changfeng Energy Inc.

Changfeng Energy Inc., is a local natural gas distribution company (“LDC” or natural gas utility) with operations located throughout the southern part of People’s Republic of China. The Company serves 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

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