



Changfeng Announces Business Update and Stock Option Grant

TORONTO, April 13, 2018 -- Changfeng Energy Inc., (TSXV:CFY) ("Changfeng" or the "Company"), an energy service provider in China, is pleased to announce the following:

HK IPO on the Hong Kong Stock Exchange

The Company plans to complete its public offering (the "HK IPO") on The Stock Exchange of Hong Kong Limited (the "HKEX" or the "Hong Kong Stock Exchange") by 2018. In anticipation of the HK IPO and to enhance shareholder value, the management team has been working to restructure the Company's project portfolio to spin off poor performing assets and reinvesting capital into projects that are already or soon to be generating profits and cash flows. Such initiative has led to Changfeng divesting its stake in the Pingxiang project. Furthermore, the Company is working with a consultant firm in Hong Kong to enforce the Company's system of internal control to better meet the requirements of the HKEX and has recently engaged a consultant to work alongside the management team and the professional parties on the HK IPO exercise. Internal restructuring for the Company structure is also underway. The HK IPO will further enhance the profile of the Company which will serve to broaden Changfeng's investor base, increase stock liquidity, and allow the company to gain access to and recognition of strategic investors in the Chinese market.

Grant of Stock Option

On April 13, 2018, pursuant to the stock option plan (the "Stock Option Plan") which was approved by shareholders of the Company (the "Shareholders") at the Company's annual and special general meetings of the Shareholders held on June 4, 2008, the Company has granted stock options (the "Options") to directors, consultant and certain members of management and employees of the Company and its subsidiaries (the "Group") to acquire up to an aggregate of 2,440,000 common shares ("Common Shares") of the Company. All the Options are exercisable at a price of CAD1.09 per Common Share, which was the closing price of the Company's shares on the TSX Venture Exchange on April 12, 2018, being the last trading day immediately preceding the grant date. The Options granted are to be vested from the day immediately following the successful HK IPO and the commencement date of listing of the Company's shares on the HKEX (the "Vesting Date"). The Options are exercisable for a period of 3 to 5 years from the Vesting Date.

Of the 2,440,000 Options granted, 1,390,000 Options were granted to officers, directors and consultant of the Company and 1,050,000 Options were granted to members of the management and employees of the Company in recognition of their contributions to the successful development of new projects. Mr. Huajun Lin, the major Shareholder, Chairman and executive director of the Company, has voluntarily reduced his salary for 2018 and accepted the Options granted to him as compensation.

The grant of the Options is subject to the approval of the TSX Venture Exchange.

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 of the Company 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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