

Changfeng Announces Business Update

TORONTO, March 19, 2018 -- Changfeng Energy Inc., (TSX-V:CFY) (“Changfeng” or the “Company”), an energy provider in China, is pleased to announce the following:

Jiangxi Province Natural Gas to Extend Inter-Province Pipeline to Pingxiang City

In March 2018, construction has begun to extend the Jiangxi provincial natural gas pipeline network, with a branch pipeline to the Pingxiang Xiangdong district. The long-awaited pipeline extension is expected to lower the cost of supplying gas to the Xiangdong district for Pingxiang Changfeng Gas Co., Ltd. (“Pingxiang Changfeng”), a subsidiary of Changfeng Energy Inc. Historically, Pingxiang Changfeng has relied solely on LNG gas to supply the residential and industrial clients in the Xiangdong district. The new section of the branch pipeline will be built by the Jiangxi Province Natural Gas Holding Ltd., Co. and the construction is expected to be completed by August 2018. After the completion of this branch, Pingxiang Changfeng will build and extend an eight (8) kilometres long medium pressure pipeline to connect to the above-mentioned branch network. Jiangxi Province Natural Gas Holding Ltd., Co., is owned by Jiangxi Provincial government. The company was set up in Nanchang City, Jiangxi Province in 2011 with a registered capital of RMB 867 million (approx.180 million Canadian Dollars).

Hebei Subsidiary’s Customer Prepares Production

Pursuant to the Press Release dated 23th January, 2018, the ceramic manufacturer in Xingtai city, Hebei Province, that signed a natural gas purchase agreement with Hebei Riheng Clean Energy Ltd., Co. (“Riheng Energy”), the controlling subsidiary of Changfeng Energy Inc., has completed its phase I construction and preparing its kiln for production. The construction for the gas supply infrastructure will be completed by the end of March 2018 as planned to support the factory operation, which is expected to commence by the end of March 2018.

Hebei Subsidiary Acquires New Customer

On March 19, 2018 Riheng Energy signed a natural gas supply agreement with a ceramic manufacturer in Shijiazhuang city, Hebei Province. The agreement outlines that Riheng Energy will supply natural gas to the ceramic manufacturer for the next three years and construct the associated regasification and storage facilities. The factory is expected to require over 12,000 m3 of natural gas per day. It is expected that Riheng Energy will begin supplying natural gas to the ceramic manufacturer by beginning of April 2018.

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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