

Changfeng Completes Trial Run of LNG Shipment from Canada to the PRC

TORONTO, Nov. 13, 2018 -- Changfeng Energy Inc., (TSXV: CFY) (“Changfeng” or the “Company”), an energy provider in the People’s Republic of China (the “PRC”), is pleased to announce that Changfeng’s trial run of a liquefied natural gas (“LNG”) shipment from Canada to the PRC using ISO-containers has been successfully completed. The LNG shipment from the Vancouver port was arranged by Changfeng and it arrived at the Shanghai port on November 8, 2018, and has now cleared customs. The LNG exported to the PRC was procured by Changfeng from a British Columbia-based energy provider, and Sanya Changfeng Offshore Natural Gas Distribution Co., Ltd. (“Sanya Changfeng”), a wholly owned subsidiary of Changfeng, is the importer into the PRC. The LNG received in Shanghai will be sold to Hebei Riheng Clean Energy Ltd. (“Riheng Energy”), a controlled subsidiary of Changfeng, and will be transported to Hebei to support the LNG distribution services of Riheng Energy to areas where pipeline gas is not accessible. Changfeng had obtained an export order from the Canadian National Energy Board for the LNG export and Sanya Changfeng had received all necessary permits for the LNG import in the PRC.

According to the recent energy reform policies of the PRC government, the PRC is shifting away from a coal-based economy and is increasingly relying on natural gas as the source of energy consumption. In particular, Changfeng’s management has observed that, in the winter months due to higher demand for natural gas required for heating in the PRC, the available supply of natural gas may be lower and trucked LNG prices may increase. Based on Wood Mackenzie Ltd.’s estimates, trucks carried approximately 19 million tons of LNG to customers last year, accounting for 12 percent of the PRC’s total LNG consumption. Further, unlike the market price of pipeline gas, which is regulated by the PRC government, LNG prices are relatively deregulated and market-oriented. Accordingly, the Company has been seeking to broaden its supply base beyond that of the PRC, to sources such as Canada, in order to benefit from opportunities in respect of LNG supply. As a Canadian-listed energy company operating in the PRC, the Company recognizes the potential synergy of Sino-Canadian energy trading and natural gas supply, and has taken steps such as the aforementioned trial run LNG shipment to strategically position the Company to seize such opportunities.

About Changfeng Energy Inc.

Changfeng Energy Inc. is a Canadian public company currently traded on the Toronto Venture Exchange (“TSX-V”) under the stock symbol “CFY”. It is an integrated energy provider and natural gas distribution company (or natural gas utility) in the PRC. Changfeng strives to combine leading clean energy technology with natural gas usage to provide sustainable energy to its customer base in the PRC. In 2009, Changfeng was recognized as being one of the PRC’s the Top Ten Most Influential Brands in the Natural Gas Industry.

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Forward-Looking Statements

Certain statements contained in this news release constitute forward-looking statements and forward-looking information (collectively, “**Forward-Looking Statements**”). All statements, other than statements of historical fact, included or incorporated by reference in this document are Forward-Looking Statements, including statements regarding activities, events or developments that the Company expects or anticipates may occur in the future, statements regarding the PRC government’s energy reform policies, the decreased supply and increased prices for natural gas in the winter months, opportunities in respect of LNG supply, and the strategic positioning of the Company to seize opportunities for LNG supply. These Forward-Looking statements can be identified by the use of forward-looking words such as “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe” or “continue” or similar words or the negative thereof. No assurance can be given that the plans, intentions or expectations or assumptions upon which these Forward-Looking Statements are based will prove to be correct and such Forward-Looking Statements included in this news release should not be unduly relied upon.

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. Such Forward-Looking Statements are not a guarantee of performance and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements or developments expressed or implied by such Forward-Looking Statements. These factors include, without limitation, no significant and continuing adverse changes in general economic conditions or conditions in the financial markets. Readers are cautioned that all Forward-Looking Statements involve risks and uncertainties, including those risks and uncertainties detailed in the Company’s filings with applicable Canadian securities regulatory authorities, copies of which are available at www.sedar.com. The Company urges readers to carefully consider those factors.

The Forward-Looking Statements included in this news release are made as of the date of this document and the Company

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