

## **Changfeng's Xiangdong Piped Gas Distribution Project Starts Selling Gas to Ceramics Manufacturer**

**January 30, 2013**

**Toronto, Ontario, January 30, 2013** – Changfeng Energy Inc. ("Changfeng" or the "Company") (TSX-V: CFY), a natural gas utility in China, announced today that the Company has started to sell gas to a ceramics manufacturer in the Pingxiang Industrial Ceramic Park (the "Park") in the Xiangdong district, Pingxiang city, Jiangxi Province, China. It marks the beginning of the commercial operation of the Xiangdong project.

Payment for the purchase of natural gas by the customer was made in advance through the smart card system.

**Figure 1: Changfeng's gas pressure regulator in the ceramic plant**



### **About Xiangdong Piped Gas Distribution Project (the "Xiangdong Project")**

The Xiangdong Project, the Company's first piped gas distribution project in Mainland China, was launched in early 2010 and the first phase of construction of the Xiangdong 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.

The Xiangdong Project is located in Xiangdong District, Pingxiang City, Jiangxi Province, which is approximately 25 kilometers (15.5 miles) away from the city gate loading the gas from the branch of PetroChina's second West to East Pipeline ("WEP II") to Pingxiang City. The section of intra-provincial pipeline between the city gate and the Xiangdong Project location is regulated by the Jiangxi provincial government's energy planning authority and scheduled to be built by the second half of 2013. Prior to completion of the installation of this section of pipeline, no gas from PetroChina's WEP II can be accessed by the Xiangdong District. As a result, the Company intends to purchase CNG and supply gas to its customers through its pipeline and associated facilities.



The Company has the 50 years (2010-2060) for a period of exclusive right to operate the piped gas distribution business in Xiangdong district, within which the Pingxiang Industrial Ceramic Park is located.

#### **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 the 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](http://www.changfengenergy.com)

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#### **Forward-Looking Statements**

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