

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Changfeng Energy Inc.
Unit 2036, 32 South Unionville Avenue
Markham, Ontario
L3R 9S6

Item 2 Dates of Material Changes

November 17, 2017 and November 23, 2017

Item 3 News Release

A news release in respect of each of the material changes was issued and disseminated on November 17, 2017 and November 23, 2017, respectively, through the facilities of Marketwired and were each subsequently filed on SEDAR. A copy of the November 17, 2017 news release is attached hereto as Schedule “A” and a copy of the November 23, 2017 news release is attached hereto as Schedule “B”.

Item 4 Summary of Material Changes

On November 17, 2017, Changfeng Energy Inc. (“**Changfeng**” or the “**Company**”) announced that it began a three-year plan to strategically shift its corporate focus towards sustainable energy in combination with natural gas to become an integrated energy provider in the PRC, as the Chinese economy moves away from fossil fuel dependency in accordance with central government guidance.

On November 23, 2017, the Company announced that the Company’s wholly-owned subsidiary, Sanya Changfeng New Energy Investment Co., Ltd. (“**Sanya**”) and Hunan Zhongyou Gas Co., Ltd. (“**Zhongyou Gas**”), the joint shareholders of Pingxiang Changfeng Gas Co., Ltd. (the “**Project Company**”), which invests in and operates the natural gas distribution project in Pingxiang District and the Ceramic Industry Park (the “**Pingxiang Project**”), entered into an Equity Restructuring Agreement (the “**Agreement**”) with Xin’ao Gas Development Co. Ltd. and Xin’ao Gas (China) Investment Co., Ltd. (collectively, “**Xin’ao Gas**”) with respect to the Project Company, pursuant to which the Company’s indirect 75.5% interest in the Project Company will be diluted to 40% and Xin’ao Gas will hold an aggregate 60% in the Project Company.

Item 5 Full Description of Material Changes

On November 17, 2017, the Company announced that it began a three-year plan to strategically shift its corporate focus towards sustainable energy in combination with natural gas to become an integrated energy provider in the PRC. As the Chinese economy now moves away from fossil fuel dependency in accordance with central government guidance, Changfeng looks to sustainable energy and clean technology to complement the usage of natural gas.

In line with this shift in strategic focus, Changfeng will look to free up monetary and human capital from existing projects that are not yet profitable and rededicate the resources to invest in integrated smart energy projects in the PRC. Natural gas will continue to be the cornerstone of Changfeng, providing the foundation necessary for the Company's growth. The Company will explore opportunities in midstream natural gas infrastructure to diversify risk and round out

Changfeng's portfolio in the natural gas market. Changfeng will also continue to expand its downstream natural gas distribution project portfolio but looks only to invest into natural gas distribution projects that are either already or soon to be generating cash flow. In summary, the following three sectors will be Changfeng's main business lines in the next three (3) years from 2017-2019: a) natural gas downstream distribution, including urban city pipeline gas distribution, gas refuelling stations; b) integrated smart energy system to distribute power, heat, cooling, and hot water; c) natural gas mid-stream infrastructure.

On November 23, 2017, the Company announced that the Sanya and Zhongyou Gas, the joint shareholders of the Project Company, which invests in and operates the Pingxiang Project, entered into the Agreement with Xin'ao Gas.

The Agreement provides that, upon the completion of the equity restructuring, i) the registered capital of the Project Company will increase from the current registered capital of RMB 20,000,000 to a registered capital of RMB 80,000,000; ii) Xin'ao Gas will infuse capital into the Project Company, resulting in a dilution of Changfeng's indirect 75.5% interest in the Project Company to 40%; iii) the Project Company will repay an outstanding loan of RMB 46,767,800 owing to Changfeng; and iv) Xin'ao Gas will acquire the 24.5% interest of the Project Company held by Zhongyou Gas by way of a cash payment, and as a result hold an aggregate 60% interest in the Project Company. The value of the transaction is based on an independent third-party valuation.

The Agreement also provides that Sanya and Zhongyou Gas will commit to repay Xin'ao Gas the full amount of the infused capital and repurchase its interest in the Project Company if: i) the Project Company fails to sign a Concession Agreement (in the form issued by the Ministry of Housing and Urban-Rural Development of the PRC); or ii) the operation of the Project Company is suspended as a result of failing to sign the above noted Concession Agreement within two years from the date the Agreement is signed.

The Pingxiang Project began in 2010 and was operational by 2012. The proposed pipeline connecting the Pingxiang Project to the main provincial pipelines is pending review, and accordingly the Pingxiang Project has historically relied on LNG/CNG to supply natural gas to the district.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information, please contact:

Ann Siyin Lin, VP, Corporate Development
Telephone: 647-313-0066
Email: ann.lin@changfengenergy.cn

Item 9 Date of Report

November 27, 2017

Schedule "A"

CHANGFENG ENERGY INC. ANNOUNCES SHIFT IN STRATEGIC FOCUS

Toronto, Ontario, November 17, 2017 – Changfeng Energy Inc., (TSXV: CFY) (“Changfeng” or “the Company”), an energy provider in the People’s Republic of China (‘PRC’), announces that in 2017 Changfeng began a three-year plan to strategically shift its corporate focus towards sustainable energy in combination with natural gas to become an integrated energy provider in the PRC. Changfeng has always strived to provide natural gas to our customers, a cleaner alternative to coal, since the Company’s inception over 20 years ago. As the Chinese economy now moves away from fossil fuel dependency in accordance with central government guidance, Changfeng looks to sustainable energy and clean technology to complement the usage of natural gas.

Earlier this month, in the press releases *“Changfeng Energy Announces Joint Venture Agreement with EDF China in Sanya, Hainan, China”* and *“Changfeng Energy Announces Establishment of Joint Venture Company With EDF China in Sanya, Hainan, China”*, Changfeng’s premier integrated smart energy project was announced. Integrated Smart Energy refers to combining the usage of multiple clean energy sources in an integrated system to generate power. Energy sources used in the system can include solar, wind, hydro, electricity, natural gas and thermal energy. Depending on the geography, weather conditions and energy supply of a given region, the energy sources used in the system will vary. Combining the use of multiple energy sources in a single system allows for the use of specific energy sources at different times depending on the energy availability and price, creating maximum efficiency in energy usage. Furthermore, the increased energy efficiency and use of sustainable energy sources is in accordance with China’s central government guidance and therefore receives strong support from local Chinese governments.

In line with this shift in strategic focus, Changfeng will look to free up monetary and human capital from existing projects that are not yet profitable and rededicate the resources to invest in integrated smart energy projects in the PRC. Natural gas will continue to be the cornerstone of Changfeng, providing the foundation necessary for the Company’s growth. The Company will explore opportunities in midstream natural gas infrastructure to diversify risk and round out Changfeng’s portfolio in the natural gas market. Changfeng will also continue to expand its downstream natural gas distribution project portfolio but looks only to invest into natural gas distribution projects that are either already or soon to be generating cash flow. In summary, the following three sectors will be Changfeng’s main business lines in the next three (3) years from 2017-2019: a) natural gas downstream distribution, including urban city pipeline gas distribution, gas refuelling stations; b) integrated smart energy system to distribute power, heat, cooling, and hot water; c) natural gas mid-stream infrastructure.

Huajun Lin, the Company’s CEO and Chairman of the Board states that, “The Chinese energy market is rapidly transforming under the guidance of the Chinese central government. Changfeng must adapt to the new market conditions early on and move to not only to survive but to thrive in the new environment. Since 2016, we began the process to IPO on the Hong Kong Stock Exchange (‘HKEX’). Changfeng engaged Guangfa Capital (Hong Kong) Limited as the sponsor and more recently engaged

consultants to strengthen the Company's internal controls as well as assist with corporate restructuring. The move to list on the HKEx will not only provide more liquidity for our shareholders but will also provide a new financing platform with which Changfeng can fund its aggressive growth strategy moving forward. With Changfeng's experienced management team, dependable strategic partners and innovative corporate culture, I am confident that we will emerge as a leader in the Chinese energy market."

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.

CONTACT INFORMATION

Corporate Investment Relations
Investor.relations@changfengenergy.cn

Ann Siyin Lin
VP, Corporate Development
ann.lin@changfengenergy.cn

Schedule "B"



Changfeng Introduces Strategic Partner for Pingxiang Project

Toronto, Ontario, November 23, 2017 – Changfeng Energy Inc., (TSXV: CFY) (“Changfeng” or the “Company”) an energy provider in China, is pleased to announce that Sanya Changfeng New Energy Investment Co., Ltd. (“Sanya”), a wholly-owned, Chinese subsidiary of the Company, and Hunan Zhongyou Gas Co., Ltd. (“Zhongyou Gas”), the joint shareholders of Pingxiang Changfeng Gas Co., Ltd. (the “Project Company”), which invests in and operates the natural gas distribution project in Pingxiang District and the Ceramic Industry Park (the “Pingxiang Project”), have entered into an Equity Restructuring Agreement (the “Agreement”) with Xin’ao Gas Development Co. Ltd. and Xin’ao Gas (China) Investment Co., Ltd. (collectively, “Xin’ao Gas”) with respect to the Project Company.

The Agreement provides that, upon the completion of the equity restructuring, i) the registered capital of the Project Company will increase from the current registered capital of RMB 20,000,000 to a registered capital of RMB 80,000,000; ii) Xin’ao Gas will infuse capital into the Project Company, resulting in a dilution of Changfeng’s indirect 75.5% interest in the Project Company to 40%; iii) the Project Company will repay an outstanding loan of RMB 46,767,800 owing to Changfeng; and iv) Xin’ao Gas will acquire the 24.5% interest of the Project Company held by Zhongyou Gas by way of a cash payment, and as a result hold an aggregate 60% interest in the Project Company. The value of the transaction is based on an independent third-party valuation.

The Agreement also provides that Sanya Changfeng and Zhongyou Gas will commit to repay Xin’ao Gas the full amount of the infused capital and repurchase its interest in the Project Company if: i) the Project Company fails to sign a Concession Agreement (in the form issued by the Ministry of Housing and Urban-Rural Development of the PRC); or ii) the operation of the Project Company is suspended as a result of failing to sign the above noted Concession Agreement within two years from the date the Agreement is signed.

The Pingxiang Project began in 2010 and was operational by 2012. The proposed pipeline connecting the Pingxiang Project to the main provincial pipelines is pending review, and accordingly the Pingxiang Project has historically relied on LNG/CNG to supply natural gas to the district. Changfeng is confident that given the experience and influence of Xin’ao Gas in natural gas distribution, Xin’ao Gas will be better positioned to coordinate natural gas supply to the region.

The transaction is in support of Changfeng’s previously announced intention to strategically shift its corporate focus towards sustainable energy in combination with natural gas to become an integrated energy provider in the PRC. The introduction of Xin’ao Gas as the majority shareholder of the Pingxiang Project will free up the Company’s cash flow and human capital to undertake projects in alignment with Changfeng’s strategic goals.

About Xin’ao Gas

Xin’ao Gas (also known as “ENN Group”) is one of the largest private energy companies in China focused on providing cleaner energy to support sustainable growth. It has a fast-growing

natural gas business that supplies city gas to more than 152 cities in China, operates the country's largest private liquefied natural gas (LNG) and compressed natural gas (CNG) refueling station network and is building the country's first private LNG receiving terminal in Zhejiang Province. Its gas sales in 2015 were 11.3 billion cubic metres (or 423 PJ). Across all its businesses, it touches the lives of 65 million people in China and 9 million internationally, primarily through city gas networks in Vietnam and LNG refueling in North America and Europe. The Group controls and operates more than 300 subsidiaries, employing more than 35,000 people, that are also involved in solar energy, clean coal chemical technology, intelligent and integrated energy systems as well as real estate, culture, health, and marine tourism.

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 People's Republic of China. 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 China's the Top Ten Most Influential Brands in the Natural Gas Industry.

CONTACT INFORMATION

Corporate Investment Relations
investor.relations@changfengenergy.cn

Ann Siyin Lin
VP, Corporate Development
ann.lin@changfengenergy.cn

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. 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. Forward-Looking Statements in this news release include, but are not limited to statements regarding: completion of the equity restructuring as set out in the Agreement, including the capital infusion by Xin'ao Gas and the repayment of the loan, expectations regarding the Project Company entering into a Concession Agreement, the ability of Xin'ao Gas to coordinate natural gas supply for the region, Changfeng's strategic shift and the impact of the

transaction on the Company's cash flow and human capital and ability to undertake projects in alignment with the Company's strategic goals.

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 Corporation'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 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. 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 TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.