

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

CF Energy Corp.  
3100 Steeles Avenue East, Suite 308  
Markham, Ontario  
L3R 8T3

**Item 2 Date of Material Changes**

December 18, 2019

**Item 3 News Release**

A news release in respect of the material change was issued and disseminated on December 18, 2019 through the facilities of GlobeNewswire and was subsequently filed on SEDAR and is included as Schedule "A" to this material change report.

**Item 4 Summary of Material Changes**

On December 18, 2019, CF Energy Corp. (the "**Company**") announced that it and EDF (China) Holdings Ltd. ("**EDF**") had signed an amendment to the joint venture contract and articles of association regarding the restructuring of the shareholding structure of the joint venture EDF Changfeng (Sanya) Energy Co Ltd. ("**EDF CF**") resulting in the Company owning 70% and EDF owning 30%, with the Company also having majority control of the EDF CF board as well as the right to appoint the general manager of EDF CF.

**Item 5 Full Description of Material Changes**

On December 18, 2019, the Company announced that it and EDF had signed an amendment to the joint venture contract and articles of association of EDF CF regarding the restructuring of the shareholding structure of EDF CF (the "**Restructuring**"), which was 50% owned by each of the Company and EDF. Following the Restructuring, the Company and EDF will own 70% and 30% of EDF CF, respectively. The Company will have majority control of the EDF CF board as well as the right to appoint the general manager of EDF CF. The Restructuring is to be effected by way of an injection of additional capital into EDF CF by the Company, with no additional capital to be provided by EDF, resulting in the dilution of EDF's holdings from 50% to 30%. The Restructuring will be effective upon completion of the restructuring filing process at the local business and commerce bureau (the "**Filing Process**"). As a result of the Restructuring, EDF CF will become a controlled subsidiary of the Company and its financial information will be consolidated into the financial information of the Company and its subsidiaries.

Subsequent to the news release of December 18, 2019, the Filing Process was completed on December 26, 2019 and the Restructuring became effective as of that date.

**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:

Charles Wang  
Executive Assistant to CEO & Chair of the Board  
Telephone: 647-313-0066  
Email: [zhaoyu.wang@changfengenergy.cn](mailto:zhaoyu.wang@changfengenergy.cn)

**Item 9 Date of Report**

December 27, 2019

## Schedule “A”

### **CF Energy Announces Restructuring of Haitang Smart Energy Project**

**Toronto, Ontario, December 18, 2019** – CF Energy Corp., (TSX-V: CFY) (“CF Energy” or the “Company”, together with its subsidiaries, the “Group”), an energy provider in the People’s Republic of China (the “PRC”), announces that the Company has signed an amendment to the joint venture contract and articles of association with EDF (China) Holdings Ltd. (“EDF”) regarding the restructuring of the shareholding structure (the “Shareholding Restructuring”) of the joint venture EDF Changfeng (Sanya) Energy Co Ltd (“EDF CF”), which is 50% owned by each of the Company and EDF. Under the new structure, the Company and EDF will own 70% and 30% of EDF CF respectively. The Company will have majority control of the EDF CF board as well as the right to appoint the general manager of EDF CF. The Shareholding Restructuring is to be effected by way of the injection of additional capital into EDF CF by the Company while no additional capital is to be injected into EDF CF by EDF, thereby resulting in the shareholding of EDF in EDF CF being diluted from 50% to 30%. Shareholding Restructuring will be effective upon completion of the restructuring filing process at the local business and commerce bureau. Upon completion, EDF CF will become a controlled subsidiary of the Company and its financial information will be consolidated into the financial information of the Group.

The restructure is a strategic decision made by both shareholders of EDF CF to provide CF Energy with more control over EDF CF as it enters into the fast-growing market development stage. Given the Company’s experience, significant presence and expertise in Sanya, Hainan, the shareholders of EDF CF trust that CF Energy is better equipped to grow the business in the local market. EDF will appoint a deputy general manager as well as the CFO of EDF CF and continue to manage the technical side of the business. “We are proud to receive so much trust and responsibility from our EDF partner, and we vow to live up to that trust”, said Ann Lin, Chair and CEO of CF Energy.

#### **About CF Energy Corp. (Previously known as: Changfeng Energy Inc.)**

CF Energy Corp. 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. CF Energy strives to combine leading clean energy technology with natural gas usage to provide sustainable energy to its customer base in the PRC. In 2009, CF Energy was recognized as being one of China’s the Top Ten Most Influential Brands in the Natural Gas Industry and in 2019, ranked amongst the 2019 TSX Venture 50 top performers on the TSXV for the 2018 year.

#### **About EDF Group**

A key player in energy transition, the EDF Group is an integrated electricity company, active in all areas of the business: generation, transmission, distribution, energy supply and trading, energy services. A global leader in low-carbon energies, the Group has developed a diversified generation mix based on nuclear power, hydropower, new renewable energies and thermal energy. The Group is involved in supplying energy and services to approximately 37.1 million

customers, of which 26.2 million in France. The Group generated consolidated sales of EUR71 billion in 2016. EDF is listed on the Paris Stock Exchange.

## **CONTACT INFORMATION**

Corporate Investment Relations  
[Investor.relations@changfengenergy.cn](mailto:Investor.relations@changfengenergy.cn)

Charles Wang  
Executive Assistant to CEO & Chair of the Board  
[Zhaoyu.wang@changfengenergy.cn](mailto:Zhaoyu.wang@changfengenergy.cn)

Frederick Wong  
Director of the Board  
[fred.wong@changfengenergy.cn](mailto:fred.wong@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.

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](http://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.