



CHANGFENG ENERGY INC

长丰能源有限公司

Sustaining natural gas infrastructure growth

For a better and cleaner China

ABOUT US

ChangFeng Energy Inc. (ChangFeng) envisions a future China with continuous economic prosperity and no pollution. Moving away from coal as the major fuel, ChangFeng is building natural gas infrastructure in China, from piped and liquefied natural gas (LNG) to a retail distribution network to compressed natural gas (CNG) refuelling stations. Established in 1995, ChangFeng has pioneered and promotes natural gas usage in Hainan Island, a tourism hotspot and now turning into another economic growth centre in southern China. Expanding its footprint into Hunan province, ChangFeng is planning on building a series of natural gas infrastructure projects in the coming years. There is an abundance of natural gas to be brought to the end-users to sustain long-term economic growth of China. And ChangFeng is poised to play a vital part of this role.

Chang (长): long; forever;
always; constantly

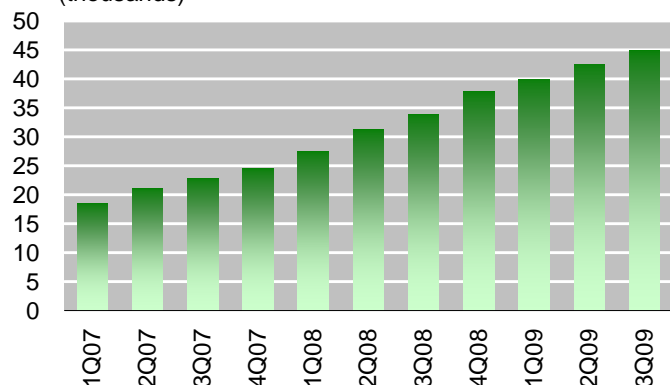
Feng (丰):
abundant;
plentiful; great



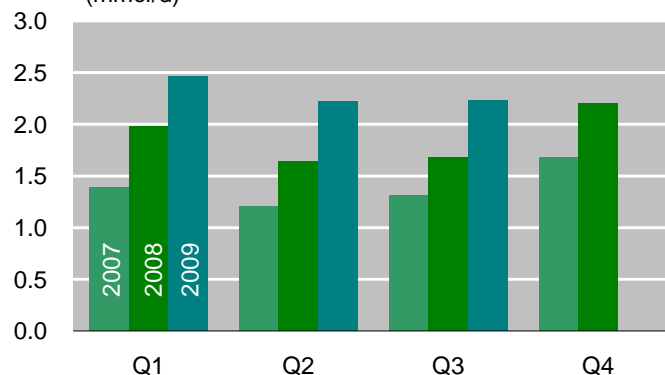
NATURAL GAS DISTRIBUTION

Hainan province is the up and rising star in southern China. As the first step of Changfeng's natural gas infrastructure strategy, the region of Greater Sanya is chosen for its existing energy demand from the tourism sector, as well as the on-going development of industrial activities in the surrounding region. Both residential and commercial customers have grown rapidly over the years. Changfeng is the sole operator and has the exclusive rights to distribute natural gas in this high growth, high potential region. Utilizing this blueprint, Changfeng is taking this working model to the other provinces.

Residential Customers
(thousands)



Residential and Commercial Gas Sales
(mmcf/d)



CNG STATIONS

Leveraging the existing relationships and infrastructure, Changfeng is building seven compressed natural gas (CNG) refuelling stations in the city of Changsha, Hunan, with a population over 6 million. The key to success is not only building the stations on-time and on-budget, but also securing reliable and reasonably priced natural gas. Changfeng has accomplished it all, and the first CNG station will be online by the end of 2009. Six more CNG stations are on the agenda.

FINANCIALS

in CAD million	2007	2008	
Revenue	9.2	13.0	+41%
Gross Profit	5.5	7.8	+42%
Gross Margin	59%	60%	
EBITDA	2.0	2.8	+42%

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