



CF Energy Receives New Gas Source in Sanya

TORONTO, June 14, 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"), is pleased to announce that the Sanya Changfeng Offshore Natural Gas Distribution Co., Ltd., a wholly owned subsidiary of CF Energy that distributes pipeline natural gas in Sanya, has signed the purchasing contract for the new Hainan gas source from the gas field "Eastern 13-2" of China National Offshore Oil Corporation ("CNOOC"). The contract stipulates a price of RMB1.88/m³ for the natural gas from June 17, 2019 to December 31, 2019 and RMB 1.93/m³ for the year 2020. The quota of natural gas allotted to the Company is 22,740,000 m³ and 49,000,000 m³ respectively for the period from June 17, 2019 to December 31, 2019 and the year 2020.

The city natural gas in Hainan was mainly sourced from the gas field exploitation in South China Sea and LNG supplemental gas source. In recent years, the supply volume of pipeline natural gas from gas field has decreased due to the decayed capacity in Yacheng 13-1 gas field of CNOOC, the largest natural gas supplier in Hainan. City natural gas operators used LNG as a supplemental gas source for sales. The use of more expensive LNG as a supplemental gas source was a significant factor in the recent drop in gross profit margin of CF Energy's Sanya gas distribution operation. Going forward, with the new gas source available, the Company expects its overall gross profit margin to improve and normalize at previous levels.

The PRC is under way to liberalize its natural gas industry. A nationwide exchange in Shanghai named the "Shanghai Petroleum and Natural Gas Trading Center" is in its experimental stages of operation. The purchase contract the Company entered with CNOOC is a product generated in the exchange and reflecting the demand and supply of the market.

Shanghai Petroleum and Natural Gas Trading Center

Shanghai Petroleum and Natural Gas Trading Center was approved by Shanghai Municipal People's Government and was established in Shanghai Free Trade Zone on March 4, 2015. It was commissioned on July 1, 2015. It aims to build oil and gas spot trading market and build national energy factor markets and pricing centers. Registered with RMB 1 billion in registered capital, the exchange has a large number of backers including China National Petroleum Corp, Sinopec Group, CNOOC, and Shenergy Group. It is understood that the Shanghai Petroleum and Natural Gas Trading Center adheres to the "open, fair, just and honesty and credit" principle, makes full use of modern information technology, to create market-oriented, international trading platform, to carry out natural gas, unconventional gas, liquefied petroleum gas spot trading of energy products, provision of transaction-related technology, location and facility services, and consulting and information services.

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.

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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.

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