Form of Share Buyback Report to The Stock Exchange of Hong Kong Limited ("the Exchange")

To: The GEM Listing Division The Stock Exchange of Hong Kong Limited

17 September 2007

Dear Sirs,

Name of Company: Zhongyu Gas Holdings Limited

Description of Securities: Ordinary shares

A. Purchase Report

We hereby report the following purchases by our company of the above securities.

Trading <u>Day/Date</u>	Number of Securities <u>Purchased</u>	Method of <u>Purchase</u> *	Price per Share or Highest Price <u>Paid \$</u>	Lowest Price <u>Paid \$</u>	Total <u>Paid \$</u>
17 September 2007	474,000	On the Exchange	0.96	0.95	452,700
Total	474,000	_			452,700

* Either on the Exchange, on another stock exchange (stating the name of the exchange), by private arrangement or by general offer.

B. Additional Information

1.	Number of such securities purchased on the Exchange in the year to date (since ordinary resolution)			(a) <u>1,986,000</u>		
2.		nare capital at time ordinar ed on the Exchange since				
	((a) x 100)			
		issued share capital		<u>0.12</u>	_%	

We hereby confirm that the purchases set out in A above which were made on the Exchange were made in accordance with the "Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited" and that there have been no material changes to the particulars contained in the Explanatory Statement dated 30 March 2007 which has been filed with the Exchange. We also confirm that any purchases set out in A above which were made on another stock exchange were made in accordance with the domestic rules applying to purchases made on that other exchange.

Yours faithfully, Lui Siu Keung Company Secretary for and on behalf of Zhongyu Gas Holdings Limited