

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

20 May 2008

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.

<u>Trading Day/Date</u>	<u>Number of Securities Purchased</u>	<u>Method of Purchase*</u>	<u>Price per Share or Highest Price Paid \$</u>	<u>Lowest Price Paid \$</u>	<u>Total Paid \$</u>
20 May 2008	724,000	On the Exchange	0.77	0.75	556,760
Total	<u>724,000</u>				<u>556,760</u>

* 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) 7,026,000

2. % of issued share capital at time ordinary resolution passed acquired on the Exchange since date of resolution

(_____ (a) x 100 _____)

issued share capital

0.36%

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