

**SINOGAS WEST INC.
308, 901 Centre West NW
Calgary, Alberta, T2E 2P6**

**SINOGAS WEST INC.
ANNOUNCES QUALIFYING TRANSACTION**

Calgary, Alberta, December 20, 2011 – SinoGas West Inc. (the "Company") (TSX Venture: GZW.P) is pleased to announce that it has entered into an arm's length Letter of Intent dated December 15, 2011 ("LOI") with Eagle Plains Resources Ltd. ("Eagle Plains") (TSX Venture: EPL), whereby the Company has been granted the option to acquire a 60% interest in the Eagle Lake Property (the "Property") which consists of six mineral dispositions covering approximately 14,295 hectares located approximately 190 km north of La Ronge, Saskatchewan and approximately 45 km south east of the Key Lake Mine in Saskatchewan, subject to a 1% net royalty smelter returns royalty in favour of a third party.

The Transaction

The transaction will constitute the Company's qualifying transaction (the "Qualifying Transaction") under the policies of the TSX Venture Exchange (the "Exchange"). In order to exercise the option and acquire a 60% interest in the Property the Company is required to issue up to 1,000,000 common shares to Eagle Plains, make cash payments to Eagle Plains totaling up to \$300,000 and incur exploration expenditures on the Property totaling up to \$3,000,000 as follows:

- (a) 200,000 common shares on Exchange approval of the Qualifying Transaction;
- (b) 200,000 common shares, \$25,000 cash and \$350,000 in exploration expenditures on or before the first anniversary of Exchange acceptance of the Qualifying Transaction;
- (c) 200,000 common shares, \$50,000 cash and \$400,000 in exploration expenditures on or before the second anniversary of Exchange acceptance of the Qualifying Transaction;
- (d) 200,000 common shares, \$75,000 cash and \$750,000 in exploration expenditures on or before the third anniversary of Exchange acceptance of the Qualifying Transaction; and
- (e) 200,000 common shares, \$150,000 cash and \$1,500,000 in exploration expenditures on or before the fourth anniversary of Exchange acceptance of the Qualifying Transaction.

If the Company exercises the option and acquires a 60% interest in the Property, the parties will enter into a joint venture for the purposes of further exploration and development of the Property.

The Company paid Eagle Plains \$5,000 on execution of the LOI to be used for the preparation of a NI 43-101 technical report on the Property, which is refundable if the Exchange determines that the Property is not suitable for purposes of a Qualifying Transaction. A finder's fee in the maximum amount permitted by the policies of the Exchange is payable to an arm's length party in respect of the acquisition.

Closing of the acquisition is subject to negotiation of a definitive agreement between the Company and Eagle Plains as well as the acceptance for filing by the Exchange.

The Property

The Property is located in the vicinity of Upper Foster Lake in northern Saskatchewan (centered on latitude 56° 48' 20" N and longitude 105° 26' 48" W). The six mineral dispositions comprising the 14,295 ha property are located approximately 190 km north of La Ronge, Saskatchewan and 45 km southeast of the Key Lake Mine.

The claim group region is comprised of Archean granite inliers, overlain by metasedimentary rocks of the Wollaston Group, all of which have been intruded by pegmatite dykes and stocks. This sequence of basement rocks is similar to those that host the lower ore bodies of the Eagle Point Mine, and as such; basement-hosted unconformity-style mineralization remains a viable target deposit type. Recent fieldwork by Eagle Plains has also led to the discovery of a new pegmatite-hosted uranium showing, which has potential as a bulk tonnage deposit; analogous to the Rossing Deposit. Fieldwork in 2009 returned up to 2.24% U₃O₈ at the new Red October showing. Trenching there in 2010 returned highlight channel sample results of 1203 ppm U over 4.2 m, including 4588 ppm U over 1 m. The trenching exposed a cumulative 75 m width of mineralization over a minimum strike length of 250 m, contained within geophysical & geochemical anomalies that infer a strike length of the mineralized horizon greater than 1 km. The Red October showing is drill ready.

Financing

The Company intends to conduct two non-brokered private placements. The first private placement, which is expected to close prior to closing of the Qualifying Transaction, will consist of 600,000 common shares at a price of \$0.05 per share for gross proceeds of \$30,000. The second private placement will consist of 7,000,000 flow-through common shares at a price of \$0.05 per share for gross proceeds of \$350,000 and is expected to close concurrently with the closing of the Qualifying Transaction. A finder's fee in accordance with the policies of the Exchange may be payable in connection with the second private placement.

Principal Shareholders

Following completion of the Qualifying Transaction and assuming that both private placement offerings are sold, it is expected that no person or company will beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the issued and outstanding common shares of the Company.

Composition of Board and Management

Upon the closing of the Qualifying Transaction the Board of Directors of the Company will consist of Jacob Kalpakian, Christopher Kape, George Tai and one other current member of the Company to be determined. Mr. Kalpakian will be appointed as President and CEO and Mr. Kape will be appointed as CFO. An additional director with expertise in geology, to be determined at a later date, will also be appointed to the Board.

General Information

Sponsorship of a Qualifying Transaction of a Capital Pool Company is required by the Exchange unless exempted in accordance with Exchange policies. No sponsor has been retained and the Company intends to apply for an exemption from sponsorship requirements. There is no assurance that the Company will obtain this exemption.

"Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority

shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release."

Technical aspects of this news release are approved by Tim J. Termuende, P. Geo., the President, CEO and a director of Eagle Plains, who is a "qualified person" pursuant to the provisions of NI 43-101.

For further information, please contact Wise Wong, at (0)+852-5100-1479, Fax: (403) 230-7878

On behalf of the Board of
SinoGas West Inc.

"Wise Wong"

Wise Wong
Chief Executive Officer