

SINO GAS WEST INC.
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SinoGas West and Eagle Plains sign Definitive Agreement

Calgary, Alberta, January 31, 2012, - SinoGas West Inc. (TSX-V: GZW.P) (the "Company") is pleased to announce that the Company and Eagle Plains Resources Ltd. ("Eagle Plains") have now signed a definitive option agreement (the "Option Agreement") following the Company's letter of intent originally announced December 20, 2011.

Terms of the option agreement

Pursuant to the Option Agreement, subject to regulatory approval including that of the TSX Venture Exchange (the "Exchange"), the Company will have the option to acquire a 60% interest in the Eagle Lake property by issuing up to one million common shares of the Company, making aggregate cash payments of \$300,000 and incurring aggregate exploration expenditures of \$3 million over the course of five years as follows:

- (a) 200,000 common shares within 5 business days from the date of Exchange approval;
- (b) 200,000 common shares, \$25,000 in cash and incur \$350,000 in exploration expenditures on or before the first anniversary of Exchange approval;
- (c) 200,000 common shares, \$50,000 in cash and incur \$400,000 in exploration expenditures on or before the second anniversary of Exchange approval;
- (d) 200,000 common shares, \$75,000 in cash and incur \$750,000 in exploration expenditures on or before the third anniversary of Exchange approval; and
- (e) 200,000 common shares, \$150,000 in cash and incur \$1.5 million in exploration expenditures on or before the fourth anniversary of Exchange approval.

Pursuant to the Option Agreement, 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.

Mr. Fred Tejada, P.Ge., will be appointed as a director of the Company on closing of the transaction.

Mr. Tejada has 30 years of international mineral industry experience and has a proven record working with both major mining companies and exploration-focused organizations. He is currently President of Tirex Resources Ltd., a Vancouver-based public company with projects in Albania. Prior to this, he was Vice President for Exploration of Panoro Minerals Ltd., where he directed resource definition drilling of its two major copper deposits in Peru. For seven years, Mr. Tejada was country manager and president of the Philippine subsidiary companies for Phelps Dodge Exploration Corp. with responsibility over corporate matters and exploration activities from project generation, property acquisitions and permitting. Mr. Tejada is a registered professional geoscientist (P.Ge.) of the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC), a member of the Society of Economic Geologists (SEG), a member of the Geological Association of Canada (GAC), and a member of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM).

The transaction will constitute the Company's qualifying transaction under the policies of the Exchange. Completion of the transaction is subject to a number of conditions, including Exchange acceptance. The securities of the Company to be issued will be subject to a four month hold period. 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 filing statement to be prepared in connection with the transaction with Eagle Plains, any information released or received with respect to the qualifying transaction may not be accurate or complete and should not be relied upon. Trading of the Company's shares will remain halted until the completion of the transaction.

For further information, please contact:

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Neither the TSX Venture Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

This news release includes forward-looking statements that are subject to risks and uncertainties, including without limitation, statements concerning the appointment of Mr. Tejada as a director of the Company, and the submission of the filing statement in connection with the completion of the transaction. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include any factors that could delay or stop the transaction from closing, including the exercise of discretion by regulatory authorities prohibiting the transaction from closing, or other economic factors affecting the business rationale for the transaction, including market prices, exploitation and exploration successes, continued availability of capital and financing, and other general economic, market or business conditions. There can be no assurances that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. Unless otherwise required by applicable securities law, we do not assume any obligation to update any forward-looking statements.