

She Dawei
Form 4
November 19, 2010

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
She Dawei

2. Issuer Name and Ticker or Trading Symbol
China Natural Gas, Inc. [CHNG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
19TH FLOOR, BUILDING B, VAN METROPOLIS,, NO. 35 TANG YAN ROAD, HI-TECH ZONE

3. Date of Earliest Transaction (Month/Day/Year)
05/05/2010

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)
Chief Financial Officer

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

XI'AN, SHAANXI PROVINCE,, F4 710065

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock ⁽¹⁾	05/20/2010		M	V 21,900 A \$ 4.9	21,900	D	
Common Stock	05/20/2010		G	V 21,900 D \$ 0 0		D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
Employee Stock Option (right to buy) ⁽¹⁾	\$ 4.9	05/05/2010		A	87,600	⁽²⁾ 04/01/2015	Common Stock 87
Employee Stock Option (right to buy)	\$ 4.9	05/20/2010		M	21,900	05/05/2010 04/01/2015	Common Stock 21

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

She Dawei
19TH FLOOR, BUILDING B, VAN METROPOLIS,
NO. 35 TANG YAN ROAD, HI-TECH ZONE
XI'AN, SHAANXI PROVINCE,, F4 710065

Chief Financial Officer

Signatures

/s/ She Dawei 11/19/2010

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) China Natural Gas, Inc. effected a 1 for 2 reverse stock split on April 28, 2009. Figures listed herein reflect the April 28, 2009 reverse stock split.
- (2) The options vest in four equal installments. The first installment vested on May 5, 2010, and the remaining installments will vest on April 1, 2011, 2012 and 2013.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.