

2 July 2014

APPROVAL OF CHINESE RESERVE REPORT ON LINXING (EAST)

Sino Gas & Energy Holdings Limited (ASX:SEH, "Sino Gas", "the Company") is pleased to announce the approval of the first Chinese Reserve Report (CRR) on the Linxing Production Sharing Contract (PSC).

Sino Gas has received official notification that the CRR submitted on Linxing (East) for the coalbed methane resource has been approved by the Ministry of Land & Resources (MOLAR).

Approval of the CRR is the first step in a two-step regulatory process to develop gas assets into producing fields in China. It forms the basis of the Overall Development Plan (ODP) which, once approved, allows the commencement of commercial development for that specified resource. Preparation for the ODP has commenced on schedule.

Commenting on the approval of the CRR, Sino Gas Chairman, Gavin Harper said "The CRR approval is a significant milestone and represents the first formal approval received on either block. Sino Gas would like to express its appreciation for the continuing cooperation and support of China United Coalbed Methane (CUCBM) and we look forward to building our strong working relationship as the Linxing project is further developed."

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About Sino Gas & Energy Holdings Limited

Sino Gas & Energy Holdings Limited ("Sino Gas" ASX: SEH) is an Australian energy company focused on developing Chinese unconventional gas assets. Sino Gas holds a 49% interest in Sino Gas & Energy Limited ("SGE") through a strategic partnership completed with MIE Holdings Corporation ("MIE" SEHK: 1555) in July 2012. SGE has been established in Beijing since 2006 and is the operator of the Linxing and Sanjiaobei Production Sharing Contracts (PSCs) in the Ordos Basin, Shanxi province.

SGE's interest in the Linxing PSC with CUCBM is 64.75% and 49% for the Sanjiaobei PSC held with PCCBM. SGE has a 100% working interest during the exploration phase of the PSC, with SGE's PSC partners being entitled to back-in upon Overall Development Plan (ODP) approval, by contributing development and operating costs in line with their PSC interest.

The PSCs are located in the Ordos Basin and cover an area of approximately 3,000km². The Ordos Basin is the second largest onshore oil and gas producing basin in China. The region has mature field developments with an established pipeline infrastructure to major markets. Rapid economic development is being experienced in the provinces in which Sino Gas' PSCs are located and natural gas is seen as a key component of clean energy supply in China.

Sino Gas & Energy Holdings Limited (ASX: SEH) was admitted to the Official List of ASX in 2009.

Disclaimer

Certain statements included in this release constitute forward looking information. This information is based upon a number of estimates and assumptions made on a reasonable basis by the Company in light of its experience, current conditions and expectations of future developments, as well as other factors that the Company believes are appropriate in the circumstances. While these estimates and assumptions are considered reasonable, they are inherently subject to business, economic, competitive, political and social uncertainties and contingencies.

Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, gas prices, exploration, acquisition, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward-looking information is no guarantee of future performance and, accordingly, investors are cautioned not to put undue reliance on forward-looking information due to the inherent uncertainty therein. Forward-looking information is made as at the date of this release and the Company disclaims any intent or obligation to update publicly such forward-looking information, whether as a result of new information, future events or results or otherwise.