

ASX ANNOUNCEMENT

14 December 2010

GENERAL MEETING – CHAIRMAN’S ADDRESS

Sino Gas & Energy Holdings Limited (Sino Gas; ASX:SEH) will today conduct its General Meeting in Perth, Western Australia.

Following below is the Chairman’s Address for that General Meeting.

General Meeting - Chairman’s Address

Sino Gas is now completing its 2010 work program. As we promised at the time of the last Rights issue, we have conducted the field operations to complete the collection of data required to assist in a reserves upgrade and to enable the Company to move towards development approvals.

As we have reported to the market over the past months, this work has been carried out successfully - Sino Gas has drilled three new Gas Discovery wells and has conducted five flow tests.

Most pleasingly, this work has been carried out safely with over 140,000 incident free hours. This is of the utmost importance as we move forward to more intense field work activity over the coming years.

This achievement is a real credit to our Chinese workforce under the leadership of our Managing Director, Stephen Lyons and Chief Operating Officer, Frank Fu who joined Sino Gas during 2010. As we go forward towards development we will expand and develop our workforce in China from the current very strong core that we have today.

The work that we have done has been well designed, well implemented and, importantly, has been very successful. Over the coming weeks we will finish the final testing program and move to fully interpret the results. Our Independent certifier RISC has been engaged to re-assess the reserves in Linxing and Sanjiaobei and the results of this work will be available early in 2011.

As we have previously indicated, the successful drilling results achieved so far enable the company and its Chinese partners to move towards the commercial development of the significant gas reserves discovered.

Sino Gas has already commenced planning and gas marketing activity to start a Pilot operation on each of the two PSC’s.

Today it seems likely that we will shortly be commissioning the first Pilot facilities on the TB04 Gas Discovery well. Once these are fully tested and all operating procedures are refined, the Pilot will then be expanded with other wells being brought “on-line”.

The pilot Programs will generate an understanding of the long term flow capacities of several productive zones in several wells - this is essential input to the Chinese Reserves Report which will be prepared during the first half of 2011.

Our work so far has indicated that Sino has some 2.7 Tcf of Contingent and Prospective resource across the two PSC’s. The Pilot Program and the Reserves Report will form the basis on which we will then move to prepare the Overall Development Program to be submitted to the Chinese authorities for approval to proceed with field development in each PSC.

Our significant gas resources are located in an area where demand for gas is strong and is supported by government 'clean energy' policy initiatives. Marketing of the gas for the full development will be carried out jointly with our PSC partners during 2011.

These critical steps described will all lead to the commercialization of our very significant gas resources and so will add value to our company. We have the right assets, in the right place at the right time. We also have a skilled and dedicated team in place led by Stephen Lyons and Frank Fu – our future looks bright indeed.

A critical part of doing what needs to be done relies on our strong and effective relationships with our PSC partners PetroChina and CUCBM. I would like to thank them for their support during 2010 and to look forward to continuing to strengthen our already very constructive relationships through continuing strong cooperation and open dialogue.

Finally, I wish to acknowledge Mr Sam Snyder who retires as Chairman at the end of 2010. His professional guidance, wise counsel, China knowledge and experience and enthusiasm for the projects have been a key part of the success achieved so far. We wish Sam well in his retirement.

-ENDS-

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About Sino Gas & Energy Holdings Limited

Sino Gas & Energy Holdings Limited (ASX: SEH) is an Australian company focused on developing Chinese gas assets. The Company has operated in Beijing since 2005 and holds a portfolio of unconventional gas assets in China through Production Sharing Contracts (PSC's).

The PSC's are located in Shanxi province in the Ordos Basin and cover an area of over 3,700km². The Ordos Basin is the second largest onshore oil and gas producing basin in China. The area has mature field developments with an established pipeline infrastructure to major markets. Rapid economic development is being experienced in the province in which Sino Gas's PSC's are located and natural gas is seen as a key component of clean energy supply in China.

On Sino Gas's Tuban prospect, 9 wells have been drilled, the latest being TB07 in November 2009. Extensive seismic and other subsurface studies have also been conducted. 4 wells have been fraced and tested with commercial flow rates achieved on the TB02 well, TB05 well and recently significant commercial rates on the TB07 well. 2.7 Tcf of Contingent and Prospective gas resources (100% mid case figures) have been independently verified on the Tuban Prospect.

The statements of resources in this Release have been independently determined to Society of Petroleum Engineers (SPE) Petroleum Resource Management Systems standards by internationally recognized oil and gas consultants RISC Pty Ltd. They are based on the Technical Report prepared by RISC Pty Ltd and included in full in the Company's Prospectus dated 29 July 2009. Quoted well flow rates are calculated at a tubing head pressure of 200psi.

Additional information on Sino Gas can be found at www.sinogasenergy.com