

ASX ANNOUNCEMENT

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TB09 FINAL FLOW RATE OF 1,150,500 SCF/DAY

Highlights

- **TB09 Well – Final gas flow rate of 1,150,500 scf/day**
- **TB03 Well – Mobilisation of test rig underway**

TB09 Well – Final gas flow rate of 1,150,500 scf/day

Sino Gas & Energy Holdings Limited (ASX: SEH) is pleased to announce a final gas flow rate of 1,150,500 scf/day on its TB09 Gas Discovery Well.



The TB09 well test focused on a single gas ‘pay zone’ in order to assess the flow rate potential of this zone for reserves purposes. There are another 3 potential gas pay zones in TB09 that remain to be assessed in future operations.

Sino Gas has completed the testing of TB09 adjusting the choke sizes and achieved a final flow rate of 1,150,500 scf/day without the need for hydraulic fracture stimulation (frac) which could increase the productivity of this well by up to fourfold (4x). This has been achieved at a pressure of 200 psi (being the nominal flowing tubing head pressure previously reported on Sino Gas’s other wells).

The final flow rate achieved on TB09 significantly exceeds the longer term average commercial flow rate of 125,000 scf/day determined by RISC for an economic field development.

Sino Gas’s Managing Director, Stephen Lyons said that the result of the TB09 flow test further underpins the significant commercial potential of Sino Gas’s acreage.

“The flow rate achieved on TB09 without having to frac, in a location close to Sino Gas’s TB07 well further supports the company’s move to pilot production. The flow rates achieved across a number of Sino Gas’s wells are above commercial thresholds and confirm the potential to create significant shareholder value,” said Mr Lyons.

TB03 Well – Mobilisation of test rig underway

With the completion of the flow test on TB09, Sino Gas's testing contractor, CCDC Changqing Downhole Service Company (CCDC) is now mobilising equipment to test the TB03 Gas Discovery Well.

Sino Gas expects that in approximately one weeks' time CCDC will commence the perforation of a single gas 'pay zone' identified by electronic logging analysis. Sino Gas expects that it will hydraulically fracture stimulate this zone and then flow back the well for a 2-3 week period.

Further updates will be provided as the test proceeds.

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About Sino Gas & Energy Holdings Limited

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

The PSCs 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 provinces in which Sino Gas's PSCs are located and natural gas is seen as a key component of clean energy supply in China.

On Sino Gas's Tuban prospect, 10 wells have been drilled, the latest being TB-09. Extensive seismic and other subsurface studies have also been conducted. Multiple wells have been flow tested with commercial flow rates achieved on many of the wells, including significant commercial rates on the TB-07 and TB-09 wells.

The statements of resources in this Release have been independently determined to Society of Petroleum Engineers (SPE) Petroleum Resource Management Systems (SPE PRMS) standards by internationally recognised oil and gas consultants RISC Pty Ltd. All resource figures quoted are mid case - 100%.

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