

ASX ANNOUNCEMENT

28 October 2011

SHARE PURCHASE PLAN OFFER

Sino Gas & Energy Holdings Limited (Sino Gas; ASX: SEH) is pleased to advise that the attached Share Purchase Plan (**SPP**) offer document is being despatched today to eligible Sino Gas shareholders (on the record date of 21 October 2011) providing them with the opportunity to subscribe for up to A\$15,000 worth of shares at 4 cents per share. Personalised Acceptance Forms, in the form of the attached sample form, will also be sent to eligible shareholders with the SPP offer document.

The SPP offer is scheduled to close on 25 November 2011.

For more information, please contact:

Sino Gas & Energy

Stephen Lyons: Managing Director,
+86 139 1148 1669, +86 10 6530 9260,
slyons@sinogasenergy.com

Gavin Harper: Chairman,
gharper@sinogasenergy.com

Investor Relations - Australia

Ronn Bechler, + 61 400 009 774
ronn.bechler@marketeye.com.au

Investor Relations – Hong Kong

Anita Wan, +852 2217 2687
anita.wan@quamgroup.com

About Sino Gas & Energy Holdings Limited

Sino Gas & Energy Holdings Limited (ASX: SEH) is an Australian company focused on developing Chinese unconventional 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 3,000km². 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 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, 11 wells have been drilled, the latest being SJB1 during October 2011. 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 its TB07, TB09 and TB04 wells. The gas flow rates in this release are estimated at 200 psi Flowing Tubing Head Pressure (THP) unless otherwise noted.

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 recognized 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

28 October 2011

Dear Shareholder

Invitation to Participate in Shareholder Share Purchase Plan

As announced on 24 October 2011, Sino Gas and Energy Holdings Limited (**SGEH** or **Company**) has agreed to make a placement of 100,000,000 fully paid ordinary shares in the capital of the Company (**Shares**) at \$0.04 per Share to raise \$4 million (**Placement**). Tranche 1 of the Placement was completed on 26 October 2011 via the issue of 90,000,000 shares to raise \$3.6 million and Tranche 2 will, subject to shareholder approval, be completed on or about 6 December 2011 via the issue of 10,000,000 shares to raise \$400,000. As noted in the announcement of 24 October 2011, SGEH is pleased to offer Eligible Shareholders Shares to acquire shares pursuant to this Share Purchase Plan (**SPP**) at the same issue price of \$0.04 per Share as that paid by investors under the Placement.

Eligibility to participate in the SPP

The right to participate in the offer under the SPP is optional and is available exclusively to Shareholders who are registered as holders of Shares at 7pm (Sydney Time) on 21 October 2011 (**Record Date**) and whose registered address is in Australia, New Zealand or the United Kingdom (**Eligible Shareholders**).

Share Purchase Plan

The SPP entitles Eligible Shareholders in the Company, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of shares at a price of \$0.04 per Share (**Offer**).

The issue price of Shares under the Offer represents a discount of 15.79% to the volume weighted average trading price of the Company's Shares on the Australian Securities Exchange (**ASX**) during the 5 trading days immediately prior to the announcement of the Offer (being 24 October 2011).

The amount any Eligible Shareholder can subscribe for will be restricted to a total cumulative share value of \$15,000.

Details of this Offer are set out in this letter and the enclosed Terms and Conditions together with a personalised SPP Application Form.

Current Projects

Details of the Company's current activities are set out in the announcements by SGEH to the ASX and are available from the ASX or from SGEH's website at <http://www.sinogasenergy.com>.

The funds raised under the SPP will be used in conjunction with the funds raised from the recent Placement for the following activities conducted by the Company: additional exploration and flow testing of wells in its appraisal program, repayment of existing SpringTree loans and working capital including costs of the Placement and SPP.

How much can you invest?

Under the SPP, Eligible Shareholders may only acquire a maximum of \$15,000 worth of Shares under a share purchase plan in any 12 month period.

Subscription and Application Procedure

To participate in the Offer pursuant to this SPP please complete the enclosed SPP Application Form and send it together with your payment by cheque made payable to 'Sino Gas and Energy Holdings Limited', drawn in Australian currency for the correct amount, to SGEH's share registry Computershare Investor Services Pty Limited, GPO Box 253, Sydney NSW 2001, on or before the Closing Date of **5pm (Sydney Time) on 25 November 2011**. Alternatively, you may pay by Bpay® as per the instructions on the SPP Application Form on or before **5pm (Sydney Time) on 25 November 2011** (or such earlier cut off time that your own financial institution may implement with regard to electronic payments). Applicants should not forward cash and direct bank transfers (other than by Bpay®) are not permitted. Late application will only be accepted in the Company's discretion.

Eligible Shareholders may participate by selecting only one of the following options to purchase Shares under the SPP.

Offer A	Total Subscription amount of \$1,000 (minimum amount)
Offer B	Total Subscription amount of \$2,000
Offer C	Total Subscription amount of \$3,000
Offer D	Total Subscription amount of \$4,000
Offer E	Total Subscription amount of \$5,000
Offer F	Total Subscription amount of \$7,500
Offer G	Total Subscription amount of \$10,000
Offer H	Total Subscription amount of \$12,500
Offer I	Total Subscription amount of \$15,000 (maximum amount)

Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the Closing Date of 5.00pm (Sydney Time) on **25 November 2011**. In the event of a fractional entitlement to Shares, Shares issued will be rounded down. If the exact amount of money is not tendered with your application SGEH reserves the right to either:

- a) return your SPP Application Form and/or payment and not allot any shares to you; or
- b) allot to you the number of shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by cheque as soon as possible, without interest.

The maximum investment any shareholder may apply for will remain \$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account).

Additional Information and Important Dates

The Offer is non-renounceable in nature and cannot be transferred and the Directors of the Company reserve the right to reject, or scale back on an equitable basis, any application. Shares allotted under the SPP will be issued no later than 10 business days after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum amount proposed to be raised under the SPP Offer is \$2,000,000, being a total maximum of 50,000,000 Shares. In the event of oversubscriptions (i.e. over \$2,000,000 under the SPP) by the Closing Date the Directors may, in their absolute discretion, scale back applications on an equitable basis, and/or (at the sole discretion of the Company) increase the maximum amount to be raised to allow for oversubscriptions.

If the Company rejects or scales back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

On the last trading day immediately prior to the announcement of the Offer on 24 October 2011, the closing price of the Shares traded on ASX was \$0.047. The market price of the Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are allotted to you as a result of your acceptance of this Offer. This means that the subscription price you pay for your Shares may exceed the market price of the Shares at the date of allotment of the Shares under this Offer. The Board recommends that you obtain independent financial advice in relation to the Offer and consider price movements of Share in the Company prior to accepting this Offer.

Underwritten SPP Offer

The Company has entered into an Underwriting Agreement with Patersons Securities Limited (**Patersons**), pursuant to which Patersons agreed to underwrite the Offer to the extent of \$2,000,000, subject to receiving shareholder approval for the purposes of ASX Listing Rule 7.1. Patersons will be remunerated for providing these services at market rates.

Indicative Timetable

Record Date (7.00pm Sydney Time)	21 October 2011
Announcement Date of SPP	24 October 2011
Opening Date of SPP Offer	28 October 2011
Closing Date of SPP Offer (5.00pm Sydney Time)	25 November 2011
SPP Shortfall notified	1 December 2011
General Meeting	5 December 2011
Allotment of SPP Shares, SPP shortfall Shares and Shares under Tranche 2 of Placement	6 December 2011
Despatch Date for Holding Statements under SPP, SPP shortfall Shares Tranche 2 Placement Shares	7 December 2011

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their SPP Application Forms as early as possible.

Should you wish to discuss any information contained in this letter further, please do not hesitate to contact SGEH's Company Secretary, Mr Harry Spindler on +61 (08) 9381 5819.

Yours faithfully,



Stephen Lyons
Managing Director

No offer in the US or to US persons

These materials do not constitute an offer of securities for sale in the United States or to "U.S. persons" (as defined in Regulation S under the U.S. Securities Act) and may not be sent or disseminated in, directly or indirectly, the United States or to any "U.S. person" in any place. The Company's shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered, sold or otherwise transferred in the United States or to any "U.S. person" except in compliance with the registration requirements of the U.S. Securities Act and any other applicable state securities laws or pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

Sino Gas and Energy Holdings Limited
ACN 124 242 422
Shareholder Share Purchase Plan – Terms and Conditions

Purpose

The Purpose of the Shareholder Share Purchase Plan (**SPP**) is to offer shareholders of Sino Gas and Energy Holdings Limited (**SGEH** or **Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**SGEH Shares**) up to a maximum of \$15,000 (when combined with any shares issued under any share purchase plan in the 12 months preceding the date of the SPP) at \$0.04 per share, being a 15.79% discount to the volume weighted average trading price of SGEH Shares during the period 5 trading days prior to the announcement of the Offer on the Australian Securities Exchange (**ASX**) without the need to pay brokerage costs and without the need for SGEH to issue a prospectus, upon such terms and conditions as the Board of Directors of the Company, in its absolute discretion sees fit.

Shareholders Eligible to Participate

Eligible Shareholders of SGEH Shares that are registered within Australia, New Zealand or the United Kingdom at the relevant Record Date may participate in the SPP. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the SPP.

Participation in the SPP is optional and is subject to these terms and conditions. Offers made under the SPP are non-renounceable (i.e. eligible shareholders may not transfer their rights to any SGEH Shares offered under this SPP).

An offer may, at the discretion of the Directors or the Company, be made under the SPP once a year. The maximum amount which any shareholder may subscribe for in any consecutive 12 month period is \$15,000. The Directors of the Company may also determine in their discretion the minimum amount for participation, the multiple of SGEH Shares to be offered under the SPP and the period the Offer is available to Eligible Shareholders.

Custodians, Trustees and Nominees

If you are an eligible shareholder and hold the SGEH Shares as a custodian (as defined in ASIC Class Order [CO 09/425] (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the SPP), you may apply for up to the maximum of new shares for each beneficiary for whom you act as custodian provided you annexe to your SPP Application Form a certificate to the Company (**Custodian Certificate**) with the following information:

- that you held shares in the Company on behalf of one or more persons (each a **Participating Beneficiary**) at 7:00pm (Sydney Time) on 21 October 2011 who have subsequently instructed you to apply for Shares under the SPP on their behalf;
- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the dollar amount of the Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;
- that the application price for Shares applied for under the Offer for each Participating Beneficiary for whom you act plus the application price for any other SGEH Shares issued to you as custodian for that Participating Beneficiary under any arrangement similar to the SPP in the prior 12 months does not exceed \$15,000;
- that a copy of the written offer document was given to each beneficiary; and
- where you hold shares on behalf of a beneficially indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

For the purposes of ASIC Class Order [CO 09/425] you are a 'custodian' if you are a registered holder that:

- holds an Australian Financial Services Licence that allows you to perform custodian or depository services or operate IDPS accounts;
- is exempt from holding an Australian Financial Services Licence by virtue of Class Order [CO 03/184] or by relying on the Australian Financial Services Licence of your master custodian under regulation 7.1.06(k) of the Corporations Regulations 2001;
- is a trustee of a self managed superannuation fund;
- is a responsible entity of IDPS like schemes;
- is noted on the Company's register of members as holding the shares on account of another person.

If you hold SGEH Shares as a trustee or nominee for another person or persons, but not a custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case the rules for multiple single holdings (above) apply.



Custodians should request a Custodian Certificate when making application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply you should contact Mr Harry Spindler at any time Monday to Friday during the Offer period.

The Company reserves the right to reject any application for Shares under the SPP to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with the above requirements. The Company reserves the right to reject any application in accordance with these Terms and Conditions

Price of SGEH Shares

The price of the SGEH Shares to be issued under the SPP will be \$0.04 per Share.

Applications and Notices

At the discretion of the Directors of the Company, the Company will send eligible shareholders a letter of offer and acceptance procedures, inviting them to subscribe for SGEH Shares under the SPP, and accompanied by these Terms and Conditions of the SPP and an SPP Application Form. Applications will not be accepted after the closing date of an offer, unless the Directors, in their discretion decide otherwise. Over subscriptions to an offer may be refunded without interest.

Underwritten SPP Offer and Maximum Amount

The Company has entered into an Underwriting Agreement with Patersons Securities Limited (**Patersons**), pursuant to which Patersons agreed to underwrite the Offer to the extent of \$2,000,000. Patersons will be remunerated for providing these services at market rates. The maximum amount proposed to be raised under the SPP Offer is \$2,000,000, being a total maximum of 50,000,000 Shares. In the event of oversubscriptions (i.e. over \$2,000,000 under the SPP) by the Closing Date the Directors may, in their absolute discretion, scale back applications on an equitable basis, and/or (at the sole discretion of the Company) increase the maximum amount to be raised to allow for oversubscriptions

Issue of SGEH Shares

SGEH Shares to be issued under the SPP will be issued as soon as reasonably practicable after the Closing Date specified by the Directors of the company in the relevant offer.

SGEH Shares issued under the SPP will rank equally in all respects with all other fully paid ordinary shares in the Company from the date of issue.

Shareholding statements or CHESS notification will be issued in respect of all SGEH Shares issued under the SPP. The Company will, promptly after the issue of SGEH Shares under the SPP, make application for those SGEH Shares to be listed for quotation on the official list of the ASX.

Modification and Termination of the SPP

The Company may modify or terminate the SPP at any time. The Company will notify ASX of any modification to, or termination of, the SPP. The omission to give notice of any modifications to, or termination or, the SPP or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, the Company may issue to any person fewer SGEH Shares than the person applied for under the SPP if the issue of the SGEH Shares applied for would contravene any applicable law or the Listing Rules of the ASX.

Dispute Resolution

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant, application or SGEH Shares. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of the Company under these conditions may be exercised by the Directors of the Company or any delegate of the Directors of the Company.

Questions and Contact Details

If you have any questions regarding the SPP or how to deal with this Offer, please contact your stock broker or professional adviser or Mr Harry Spindler, Company Secretary on +61 (08) 9381 5819. Alternatively, you can call the Company's share registry on: 1300 661 706 (within Australia) or +61 3 9415 4389 (outside Australia).

For all enquiries:

Phone:
 (within Australia) 1300 661 706
(outside Australia) 61 3 9415 4389

000001 000 SEH
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:



See over for details of the Offer and how to make your payment

Share Purchase Plan Application Form

 **Your payment must be received by 5:00pm (Sydney Time) Friday 25 November 2011**

This is an important document that requires your immediate attention.

It can only be used in relation to the securityholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

By making payment you agree to be bound by the Constitution of Sino Gas and Energy Holdings Limited and that the submission of this payment constitutes an irrevocable offer by you to subscribe for Sino Gas and Energy Holdings Limited securities on the terms of the Share Purchase Plan (SPP).

In addition, by submitting the slip below you certify that the aggregate of the application price paid by you for:

- the securities the subject of the slip below; and
- any other securities and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of the slip below does not exceed A\$15,000.

Sino Gas and Energy Holdings Limited may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the SPP whether generally or in relation to any participant or application.

Any determinations by Sino Gas and Energy Holdings Limited will be conclusive and binding on all eligible securityholders and other persons to whom the determination relates. Sino Gas and Energy Holdings Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all eligible securityholders even where Sino Gas and Energy Holdings Limited does not notify you of that event.

Step 1: Registration Name

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

Step 2: Make Your Payment

Note that securities may be purchased in increments of \$1,000 subject to purchase of the minimum value and not exceeding the maximum value. Note that the amount chosen may be subject to scale back in accordance with the terms of the SPP.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the slip with **BPAY** payment.

By Mail: Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque or bank draft payable in Australian dollars to Sino Gas and Energy Holdings Limited. The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer →

Sino Gas and Energy Holdings Limited Share Purchase Plan Application Form
Payment must be received by 5:00pm (Sydney Time) Friday 25 November 2011

Share Purchase Plan Application Form

X 9999999991

I ND

STEP 1

Registration Name & Offer Details

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

 For your security keep your SRN/
HIN confidential.

Entitlement No: 00005856

Offer Details: Record date: **7:00pm (Sydney Time) 21 October 2011**

Minimum value available to purchase: **\$1,000**

Maximum value available to purchase: **\$15,000**

STEP 2

Make Your Payment



Billers Code: 193136
Ref No: 1234 5678 9123 4567 89

Contact your financial institution to make your payment from your cheque or savings account.

Pay by Mail:



Make your cheque, money order or bank draft payable to Sino Gas and Energy Holdings Limited.

Return your cheque with the below slip to:

Computershare Investor Services Pty Limited

GPO BOX 253 Sydney New South Wales 2001 Australia

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited (CIS) as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS using the details provided above or email privacy@computershare.com.au

Purchase Details for Sino Gas and Energy Holdings Limited (choose one option)

- | | | | | |
|---|----|---|----|---|
| ☐ \$1,000 worth of securities | OR | ☐ \$2,000 worth of securities | OR | ☐ \$3,000 worth of securities |
| ☐ \$4,000 worth of securities | OR | ☐ \$5,000 worth of securities | OR | ☐ \$7,500 worth of securities |
| ☐ \$10,000 worth of securities | OR | ☐ \$12,500 worth of securities | OR | ☐ \$15,000 worth of securities |



Entitlement No: 00005856

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Payment must be received by 5:00pm (Sydney Time) Friday 25 November 2011

Contact Details

Contact Name _____ Daytime Telephone _____

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$

123456789123456789+0000000001-2054+15