SINO Gas & Energy
An Emerging Clean Energy Company in China

Sino Gas & Energy Holdings Limited
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ASX ANNOUNCEMENT

28 February 2012

SINO GAS APPOINTS PRESIDENT AND CEO

Sino Gas & Energy Holdings Limited (ASX:SEH, Sino Gas) today announced the appointment of Mr Robert Bearden as President and Chief Executive Officer. Mr Bearden will be based in Sino Gas's Beijing office with his appointment commencing during the second quarter of 2012.

Commenting on the appointment, Executive Chairman Gavin Harper said: "Robert's appointment marks a crucial step in the company's transition from exploration to project development, and we are delighted to have a leader of Robert's calibre on board as we enter this exciting stage of the company's growth.

As announced to the market on January 23, Sino's gas assets located in China's Ordos basin have been independently verified by RISC as containing a Contingent Resource of 1.8 Tcf of gas with Sino's share of total risked project value of $US1.8 billion. Our 2012 programme will see additional wells, seismic, testing and pilot production as part of the Chinese reserves approval process, which is a precursor to approval of the overall development plan.

Robert's experience in project development and frontier markets will be key in the company progressing through the approvals process and achieving important milestones which will transform the company and continue to generate shareholder value."

Mr Bearden has over 30 years of experience in the upstream petroleum industry, predominantly in the areas of field development and production operations. He has previously worked for major corporations in the industry, including executive management roles with Chevron based in Kazakhstan, Africa, Indonesia and the United States.

He holds a Bachelor of Science degree from Texas A&M University USA, a Master of Engineering, Petroleum Engineering, from Tulane University, USA, a Master of Business Administration from Purdue University, USA, and an International Masters of Management MBA from the European School of Management in Paris, France. Mr Bearden spent 28 years with Chevron and its subsidiaries. His early career with Chevron included a variety of technical and operational roles, he then held various executive management roles including Senior Vice President Indonesia, General Manager Kazakhstan, and Managing Director Mid-Africa. Since leaving Chevron, his most recent role has been as Operations Director for Addax Petroleum, a Sinopec subsidiary with substantial production operations in Africa and the Middle East.

Today's appointment follows a series of significant events regarding development of the company's assets and unlocking the value that has been identified by RISC, including:

- Significant new initiatives announced by the Chinese Government to accelerate the development of China's gas industry and ease gas supply constraints;
- A 79% increase in independently assessed 2C (100%) Contingent Resources to 1.8 Tcf on Sino Gas's PSC's;
- Strengthening of the Board including:
  - Gavin Harper moving into a fulltime Executive Chairman role;
  - The appointment of Peter Mills as Non-Executive Director, bringing extensive technical and leadership capability and 30 years' experience in the areas of field development and production management; and

  - The appointment of Colin Heseltine as Non-Executive Director. From his long career as a senior diplomat in North East Asia, Colin brings a valuable perspective to an Australian company doing business in China.
- The appointment of Argonaut as corporate and financial advisor with an immediate focus on raising funds to take the projects through to development; and
- Developing opportunities for Sino Gas to participate directly in China's rapidly emerging shale gas industry.

Commenting on his appointment, Mr Bearden said: "This is a tremendous opportunity, and I am excited to have joined the company at such a crucial stage of its development.

In this industry it is rare to see assets with the size and scale of Sino Gas's PSCs in China in such close proximity to a huge market and associated infrastructure. Working to develop such promising assets is a very appealing prospect, and I look forward to working with the talented team already in place."

In recognition of the need to focus on positioning the company financially for development, Stephen Lyons will move from his current role as Managing Director into the role of Vice President Finance & Corporate.

Stephen will continue to be based in Beijing reporting to the CEO, and will retire as a Director of the Company. The board thanks Stephen for his leadership of the company during his time as Managing Director and looks forward to his continuing contribution in this new critical role.

Frank Fu, the current COO will also continue to lead the company's Beijing technical operations and implementation of projects plans and move into the position of Vice President Operations.

Fund raising process underway

Sino Gas will be raising a minimum of $25 million to fund the work program for 2012 in a way that recognises the underlying value of the projects and minimises dilution to existing shareholders.

Together with Argonaut, the Company has focused on preparation of a structured but flexible process which will target industry and financial institutions, and will aim to secure funds in time to start the work program. A wide range of alternatives is being canvassed including convertible debt, royalty interests and asset farm-outs.

Annexure A

Summary of key terms and conditions of Mr Bearden's appointment:

Fixed Remuneration:

- Total salary of US$500,000, reviewed annually
- Normal expatriate living allowances and costs
- Tax equalisation between US and China

Long-term incentives:

- 11 million Performance rights on commencement (to be adjusted via the issue of further Performance rights from time to time so as to provide an amount equating to 1% of issued shares) such rights to include a five year expiry period with vesting subject to the company achieving various project and share price outcomes over a three vesting period

Term:

- Contract duration is three years, extendable by agreement
- In the event that employment is terminated by Sino Gas without cause, Mr Bearden is entitled to a payment of 6 months salary

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About Sino Gas & Energy Holdings Limited
Sino Gas & Energy Holdings Limited (ASX: SEH) is an Australian energy 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 3,000km^2. 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. 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% unless otherwise noted.

Certain statements included in this announcement may constitute forward-looking statements. Any forward-looking statements are based on current assumptions and forecasts and are not guarantees or predictions of future performance. Such statements involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the forward-looking statements. Accordingly, Sino Gas, its directors, officers and agents do not give any assurance or guarantee that the occurrence of the events referred to in this document will occur as contemplated.

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