

ASX ANNOUNCEMENT

30 May 2012

SINO GAS ANNUAL GENERAL MEETING: CHAIRMAN'S ADDRESS

Since the last General Meeting of the Company on 5th December 2011, your Company has continued to focus on transitioning toward readiness for development of the gas reserves and resources held under the two Production Sharing Contracts (**PSC**) which the Company operates in the Shanxi province of the People's Republic of China. The key components of this transition are:

- Continuation of the strengthening of the Board and management team, which has been completed;
- Re-assessment of the gas reserves and resources and project valuation by RISC based on the 2011 field work program results. This resulted in a very significant increase in both resources and project valuation as previously reported to the market;
- Joint planning with our Chinese partners on each block of a development focused work program, including pilot production, and a renewed focus on the Northern segment of the Linxing PSC together with – approved work programs for each PSC are now in place and preparations are well underway for the commencement of the 2012 work program;
- Extension of the exploration periods of each PSC – completed for Linxing and near completion for SJB; and
- Appointment of Argonaut as Corporate and Financial advisors, with an immediate focus on securing funding for the 2012 work program and beyond. A further announcement will be made to the market as soon as resolution of the funding issue is achieved.

The combined results of these measures will position the Company for growth as we advance the projects through the Chinese approvals processes and into production. As large as the discovered resource base is, we still have large unexplored areas in each PSC and will also focus on evaluation and appraisal of these areas with expectations that the resources base will continue to increase as we do so.

We have the established technical and operational team to develop the reserves and resources and will continue to build on this core capability over the coming year. At the same time, we see continuing growth in market demand for our gas as China embraces the targets set out in the 12th Five Year Plan, and shifts its energy focus away from the reliance on coal towards cleaner energy sources.

Our work program for the next year is an aggressive one and one that will see significant progress in the development of the gas reserves and resources, and with this, the creation of value for our shareholders.

Our new CEO Mr Robert Bearden will make a presentation about our activities, based on the material presented by Robert recently at the ASX conference, after the conclusion of this meeting

Before closing, I would like to acknowledge and thank the team in Beijing for the very considerable accomplishments during 2011. In particular, the completion of over 580,000 incident free manhours was a tremendous achievement, and one which we will aim to repeat in 2012.

ENDS

SINO GAS – AGM: CHAIRMAN’S ADDRESS

For more information, please contact:

Sino Gas & Energy

Gavin Harper: Executive Chairman,
+ 61 8 9388 8618, +61 416 427 275
gharper@sinogasenergy.com

Robert Bearden: CEO & President,
+86 10 6530 9260,
rbearden@sinogasenergy.com

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 3,000km². 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. 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