

ASX ANNOUNCEMENT

29 June 2012

SINO GAS – ISSUE OF PERFORMANCE RIGHTS

Sino Gas & Energy Holdings Limited (ASX:SEH, Sino Gas) continues to build the organization as it moves towards developing its China based gas assets.

As approved by Shareholders at the Company's Annual General Meeting held on 30 May 2012, Sino Gas has now issued 8,300,000 Performance Rights to certain Directors. It has also today issued 3,500,000 Performance Rights to key Chinese employees. The requisite Appendix 3Y's Change of Directors Interest Notices follow.

These Performance Rights were issued in accordance with the Company's Performance Rights Plan (PRP) as approved by shareholders. The Performance Rights, each exercisable for one ordinary share, can be exercised upon the achievement of a number of future performance hurdles.

RESEARCH REPORT

The company advises that Patersons Securities has prepared an Independent Research Report in relation to the Company, a copy of the report can be found at the Company's website (sinogasenergy.com). This report was not commissioned by the Company.

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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 3,000km². 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 and NSAI. 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