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ASX ANNOUNCEMENT

3 September 2012

SINO GAS – CHANGE IN BOARD OF DIRECTORS

Sino Gas & Energy Holdings Limited (Sino Gas; ASX:SEH) provides the following update regarding changes in the Board of Directors.

Mr. John Chandler, Non-Executive Director, retired from the board on 31 August 2012, and Mr. Robert Bearden has been appointed to the board as Managing Director, effective 1 September 2012.

Sino Gas' Executive Chairman, Gavin Harper, thanked Mr Chandler for his service on the board.

"John has played a key role in Sino Gas' growth since becoming a Director in 2008 and was instrumental in the negotiation of the recently completed Sino Gas and MIE Holdings strategic partnership which resulted in our project located in China's Ordos Basin being fully funded to Overall Development Plan submittal. I would like to express my thanks to John for his support and advice over the years and to wish him well in his new role as a Professor of Law at the University of Western Australia," Mr Harper said.

On the appointment of Mr Bearden to the board, Mr Harper said: "We welcome Robert to the board as Managing Director, and he will also continue as Sino Gas' Chief Executive Officer based in Beijing, a position he assumed in May 2012. Robert's tremendous depth of experience will be invaluable as our projects in China transition from exploration towards development."

Commenting on his appointment, Mr Bearden said: "I look forward to my expanded role and working closely with all Board Members, developing and optimising our Ordos Basin Projects to their full potential, and investigating new business opportunities in the region. Now that our 2012 drilling and seismic campaign is underway, the Company will provide a steady flow of updates to the market on drilling and resource appraisal progress."

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About Sino Gas & Energy Holdings Limited
Sino Gas & Energy Holdings Limited ("Sino Gas" ASX: SEH) is an Australian energy company focused on developing Chinese unconventional gas assets. Sino Gas holds a 49% interest in Sino Gas & Energy Limited ("SGE") through a strategic partnership signed with MIE Holdings Corporation ("MIE" SEHK: 1555) in June 2012 to develop two blocks held under Production Sharing Contracts (PSCs) with CNPC and CUCBM. SGE has been established in Beijing since 2005 and is the operator of the Sanjiaobei and Linxing PSCs in Shanxi province.

The PSCs are located in the Ordos Basin and cover an area of approximately 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' PSCs 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 and NSAI. These statements were not prepared to comply with the China Petroleum Reserves Office (PRO-2005) standards or the U.S. Securities and Exchange Commission regulations and have not been verified by SGE's PSC partners CNPC and CUCBM. 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