

23 May 2013

SINO GAS ANNUAL GENERAL MEETING: CHAIRMAN'S ADDRESS

At the last AGM in May 2012, I reported to you on the progress your Company had made towards readiness for development of the vast gas resources held in the two production sharing contracts in Shanxi Province, China, in which we have an interest. Since then, the transition has continued apace. Key components have been:

- Shortly after the last AGM, we concluded an agreement with MIE Holdings. This agreement provided financing for the Company and the forward work program. It also set the basis for the formation of a joint operating team to drive the projects forward.
- In the last quarter of 2012, an extensive drilling and seismic work program was conducted successfully. More wells were drilled by the new team in the last three months of 2012 than had been drilled in the previous six years!
- On the basis of the data obtained during 2012, our independent experts, RISC were able to re-assess the reserves, resources and value of the gas projects – with very substantial gains on all aspects.
- The 2013 work program is now well underway. As we speak, some nine drilling rigs are operating, seismic crews are completing a huge program across both blocks, testing and dewatering spreads are operating on some nine existing wells, and preparations are advanced to enable significant pilot production later this year.
- The incident – free record set in 2011 has continued through last year and to date this year. This is a tremendous testament to the professionalism of our operations teams and the contractors involved in the field work – often in difficult terrain and weather conditions.

Your Company has gas resources with scale and value, located in a rapidly growing market and serviced by existing local infrastructure. We have the partners and expertise to move these assets into production, and with this, to deliver tremendous value to our shareholders.

The coming year will of course bring many challenges, as projects of this magnitude always do. We have the right team, led by Robert Bearden to deal with these as they arise. I will now invite Robert to make a presentation to the meeting about our activities and plans.

Mr Peter Mills has recently left the board, and I would like to thank Peter for his contributions while a director and wish him well.

For more information, please contact:

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Our latest announcements and presentations can be found on our website:
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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 completed with MIE Holdings Corporation ("MIE" SEHK: 1555) in July 2012. SGE has been established in Beijing since 2006 and is the operator of the Linxing and Sanjiaobei Production Sharing Contracts (PSCs) in the Ordos Basin, Shanxi province.

SGE's interest in the Linxing PSC with CUCBM is 64.75% and 49% for the Sanjiaobei PSC held with PCCBM. SGE has a 100% working interest during the exploration phase of the PSC, with SGE's PSC partners being entitled to back-in upon Overall Development Plan (ODP) approval, by contributing development and operating costs in line with their PSC interest.

The PSCs are located in the Ordos Basin and cover an area of approximately 3,000km². The Ordos Basin is the second largest onshore oil and gas producing basin in China. The region 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.

Resources Statement & Disclaimer

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 (March 2013). 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. Project NPV10 is based on a mid-case gas price of \$US 8.54/mscf, lifting costs (opex+capex) ~ US\$1.3/ msf mid-case. All resource figures quoted are unrisks mid-case unless otherwise noted. Sino Gas' attributable net reserves & resources assumes PSC partner back-in upon ODP approval, CBM Energy's option to acquire an interest of 5.25% in the Linxing PSC (by paying 7.5% of back costs) is exercised, and MIE fulfil funding obligations under the strategic partnership agreement.

Certain statements included in this announcement constitute forward looking information. This information is based upon a number of estimates and assumptions made by the Company in light of its experience, current conditions and expectations of future developments, as well as other factors that the Company believes are appropriate in the circumstances. While these estimates and assumptions are considered reasonable, they are inherently subject to business, economic, competitive, political and social uncertainties and contingencies.

Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, gas prices, exploration, acquisition, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward-looking information is no guarantee of future performance and, accordingly, investors are cautioned not to put undue reliance on forward looking information due to the inherent uncertainty therein. Forward-looking information is made as at the date of this announcement and the Company disclaims any intent or obligation to update publicly such forward-looking information, whether as a result of new information, future events or results or otherwise.