

16 July 2014

APPOINTMENT OF CHIEF EXECUTIVE OFFICER AND CHAIRMAN SUCCESSION

Sino Gas & Energy Holdings Limited (ASX:SEH, "Sino Gas", "the Company") is pleased to announce the appointment of Mr Glenn Corrie as Chief Executive Officer.

In addition, Sino Gas announces the upcoming succession of current Non-Executive Director Philip Bainbridge to the role of Non-Executive Chairman effective 1 September 2014, at which point current Chairman Gavin Harper will transition to a Non-Executive Director role.

Mr Bainbridge said Mr Corrie's technical and commercial capabilities as well as his senior management experience are an ideal fit with Sino Gas' requirements as it moves through the development phase and into production at its Ordos Basin assets in China.

"We are delighted to welcome a leader of Glenn's calibre to head a strong and established Sino Gas team in Beijing and guide the next stages of the Company's growth," Mr Bainbridge said.

Mr Corrie previously held the position of Commercial and Business Development Director with Ophir Energy, PLC a London-listed oil and gas exploration company with a market capitalisation of approximately £1.3 billion (A\$2.37 billion). He was the senior executive responsible for all corporate development initiatives including executing the portfolio growth strategy.

Prior to joining Ophir, Mr Corrie was a Director with Temasek Holdings Ltd in Singapore, responsible for global energy investments. Between 1998 and 2010, he held a variety of Technical and Corporate Development leadership positions within the Upstream Division of the Royal Dutch Shell Group, including Strategy Manager for Shell Upstream International Asia.

Mr Corrie, a trained geophysicist, started his career at Woodside Petroleum and has completed a Master of Business Administration from the University of Chicago Booth School of Business. He is a Member of the Australian Institute of Company Directors.

"I am delighted to be joining the Company at this exciting time. Sino Gas has a high quality asset base, strong partnerships and a robust cash position, providing a strong platform for growth. I am very much looking forward to working with the entire team and our strategic partners in China to realise the full value of these projects," Mr Corrie said.

Mr Bainbridge was appointed to the Board of Sino Gas in April this year. He brings a wealth of oil and gas experience from six years as Executive General Manager for Oil Search Limited and 23 years with the BP Group across a variety of technical and commercial roles.

Mr Harper said the orderly succession of the Chairman's role would bring important new skills and perspectives to Sino Gas as it seeks to deliver its corporate strategy.

"The strong new leadership team headed by Glenn and Philip will build on the strong foundation already established at Sino Gas," Mr Harper said. "We are moving closer to production with a business plan underpinned by the strong fundamentals of gas quantity, productivity, market demand, attractive pricing and supportive gas policy measures in place."

The incoming Chairman, Mr Bainbridge, paid tribute to the role played by Mr Harper since he joined the Sino Gas Board of Directors in 2008.

"Under Gavin's leadership, both in an executive and non-executive capacity, Sino Gas has achieved a great deal and is now on the cusp of achieving its long-standing goal of production. I look forward to his ongoing support and contribution on the Board as we aim to unlock more value for Sino Gas shareholders," Mr Bainbridge said.

A summary of the key terms of Mr Corrie's remuneration package are attached to this announcement.

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Summary of Material Terms of appointment of Chief Executive Officer

The material terms of Mr Corrie's employment agreement are as follows:

- Permanent employee commencing on completion of his current notice period (3 months)
- Base salary of US\$520,000 per annum (inclusive of superannuation) to be reviewed annually on 1 January commencing 2016.
- Normal expatriate living allowances and costs
- Sign on incentive of 3.4 million performance rights to be awarded on signing, vesting one year after the commencement of employment and subject to continued employment
- Participation in the Company's Short Term Incentive (STI) and Long Term Incentive (LTI) plans on the basis of the following:
 - STI of up to 80% of base salary, subject to agreed annual performance hurdles.
 - A further STI of up to a further 70% of base salary, in the event of a major transformation arrangement, subject to agreed performance hurdles.
 - STI to be paid either 100% in deferred (1 year) shares or 50% cash and 50% deferred (1 year) shares.
 - LTI includes 3.7 million performance rights (PR) to be awarded on signing, with 50% vesting on 31 December 2016 and the remainder on 31 December 2017, subject to performance hurdles around absolute share price (40%), relative share price to peers (40%) and production performance (20%)
 - Additional PR, equal to 40% of base salary, to be granted on 1 January 2015, with a performance period of three years, subject to performance hurdles above.
 - Further PR, equal to 80% of base salary, to be awarded annually on 1 January from 2016, with a performance period of three years. Performance hurdles to be agreed at the time of award.
- Additionally, should the employee resign, all outstanding PR's and restricted shares will lapse unless the CEO's term exceeds 5 years in which case, they will be prorated for performance period time and prorated progress to achieving performance hurdles.
- Other than for termination with cause, six months' notice is required from both parties in the event of employment ceasing. Redundancy of three months for every year's service with a maximum of nine months. Unless in the first year when 12 months annual salary applies.

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.

Sino Gas & Energy Holdings Limited (ASX: SEH) was admitted to the Official List of ASX in 2009.

Disclaimer

Certain statements included in this release constitute forward looking information. This information is based upon a number of estimates and assumptions made on a reasonable basis 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 release 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.