

2 March 2015

### CHINA'S NDRC CONFIRMS CONTINUING ROBUST GAS PRICES

Sino Gas & Energy Holdings Limited (ASX:SEH, "Sino Gas", "the Company") is pleased to note the announcement made by the National Development and Reform Commission (NDRC) 28 February 2015 to harmonize existing and incremental natural gas prices for industrial users effective 1 April 2015.

Key components of the announcement include:

- Harmonization of "Existing Gas" (i.e. based on 2012 volumes) and "Incremental Gas" prices, in-line with their stated goal of achieving harmonization by 2015 when tiered gas prices were first implemented in 2013
- An increase in the existing gas price of RMB 0.04/cubic meter (~US\$0.2/mcf)
- A decrease in the incremental gas price of RMB 0.44/cubic meter (~US\$2.0/mcf)
- Implementation of pilot scheme to allow direct negotiation between bulk users and upstream suppliers
- Shanxi province new harmonized city gate price is RMB 2.61/cubic meter (~US\$11.79/mcf)

Given the current mix of gas currently being sold under existing and incremental, the new harmonized city gate prices are expected to be approximately flat to down less than 5% from the current blended prices based on a 10-30% share of incremental volumes above 2012 volumes.

Commenting on the NDRC announcement, Sino Gas' Managing Director Glenn Corrie said "We are very pleased with this announcement as it confirms our expectations (as outlined in our 4Q14 report) of China maintaining robust gas prices in support of their policy to promote development of China's domestic gas resources. We welcome the clarity this announcement provides and confirmation of our internally held view. We continue to believe we are fortunate to be ideally positioned to supply one of the world's largest and fastest growing gas markets with low cost gas with supportive government policies.

#### Sino Gas & Energy Holdings Limited

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#### About Sino Gas & Energy Holdings Limited

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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 3,000km<sup>2</sup>. 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

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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.