

9 December 2016

SANJIAOBEI PILOT REVENUE ALLOCATION AGREEMENT FINALISED

Sino Gas & Energy Holdings Limited (ASX: SEH, "Sino Gas" or the "Company") is pleased to announce that the Sanjiaobei PSC pilot revenue allocation agreement between the Company's joint venture company and its PSC partner, PetroChina CBM, has now been finalised having secured all necessary signatures. Processing of the outstanding pilot gas sales payment is underway with cash receipts anticipated early in 2017.

Refer to our announcement on 25 July 2016 for additional details regarding the terms of the agreement.

Sino Gas' Managing Director, Glenn Corrie said: "We are very pleased to see the finalisation of the revenue allocation agreement with our PSC partner, PetroChina CBM. There continues to be strong co-operation with PetroChina CBM and we are working together constructively to realise the full value of the Sanjiaobei PSC."

Sino Gas & Energy Holdings Limited

Investor Relations
+86 10 8458 3001
1300 746 642 (local call within Australia)
ir@sinogasenergy.com

About Sino Gas & Energy Holdings Limited

Sino Gas & Energy Holdings Limited ("Sino Gas" ASX: SEH) is an Australian energy company focused on developing natural gas assets in China. Sino Gas holds a 49% interest in Sino Gas & Energy Limited ("SGE"), a strategic partnership with China New Energy Mining Limited ("CNEML"). SGE has been established in Beijing since 2006 and is the operator of the Linxing and Sanjiaobei Production Sharing Contracts ("PSC"s) 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.