

6 June 2018

LINXING GAS SALES AGREEMENT EXTENSION

Sino Gas & Energy Holdings Limited's (ASX: SEH, "Sino Gas" or "the Company") Joint Venture company, Sino Gas & Energy Limited ("SGE"), in conjunction with its Linxing Production Sharing Contract Partner, China United Coalbed Methane, has agreed terms for a one-year extension to 31 March 2019 of a Gas Sales Agreement with Shanxi GuoHua Energy Limited Company, a Sinopec subsidiary and one of the largest gas distribution companies in Shanxi Province.

The agreed average sales price, effective 1 April 2018, has increased 5% from the previous contract to RMB 1.61 per cubic metre (~US\$7.12 per Thousand standard cubic feet ¹), taking into account seasonal adjustments, and is the same price agreed with the other current gas buyer of Linxing gas per the announcement made on 29 March 2018.

Sino Gas' Managing Director Glenn Corrie said,

"This agreement is consistent with SGE's natural gas marketing strategy to maximise price, volume off-take and certainty by maintaining a diversified portfolio of gas buyers".

Sino Gas & Energy Holdings Limited

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1. GSA denominated in RMB, assuming RMB/US\$ exchange rate of 6.40 as of 5 June 2018. April - October 2018 prices of 1.5 RMB/m³ (US\$6.64/Mscf), November 2018 - March 2019 prices of 1.764 RMB/m³ (US\$7.80/Mscf).

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"), the operator of the Linxing and Sanjiaobei Production Sharing Contracts ("PSCs") in the Ordos Basin, China's largest gas producing basin. SGE has been established in Beijing since 2005 and is jointly owned with CNEML via a strategic partnership.

SGE's current interest in the Linxing PSC with CUCBM (a CNOOC wholly-owned subsidiary) is 70% and 49% for the Sanjiaobei PSC held with PCCBM (a PetroChina wholly-owned subsidiary). SGE has a 100% working interest during the exploration phase of the PSCs, and SGE's PSC partners are entitled to participate up to their PSC working interest by contributing their future share of costs. Sino Gas also holds an option to acquire a 7.5% interest of SGE's participating interest in the Linxing PSC by contributing 7.5% of historical back costs to SGE.

The PSCs cover an area of approximately 3,000km² in the Ordos basin in Shanxi, a rapidly developing province. The region has mature field developments with an established pipeline infrastructure to major markets. Natural gas is a key component of clean energy supply in China, with the 13th Five-Year Plan identifying the Ordos basin as a strategic natural gas source. 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. Whilst the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove correct or that the outcomes indicated in the announcement will be achieved. Production profile, plateau rates and other development plan parameters are indicative only and not guidance, and remain subject to any necessary regulatory approvals and applicable investment decisions.

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 gas prices, exploration, acquisition, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability, potential title disputes and additional funding requirements as further detailed in the Company's annual report. Further, despite the Company having attempted to identify all material factors that may cause actual results to differ, there may be other factors that cause results not to be as anticipated, estimated or intended. 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 (or as otherwise specified) 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.