





3 March 2016

## LINXING GAS SALES PROCEEDS RECEIVED

-  US\$6.6 million received by SGE for pilot gas sold from the Linxing PSC
-  Total Linxing PSC gas sale proceeds represent 85% of total gas sale proceeds to the end of February 2016
-  Future proceeds for gas sold from Linxing will be received monthly
-  Continue to progress discussions on proceeds for pilot gas sold from the Sanjiaobei PSC

Sino Gas & Energy Holdings Limited (ASX: SEH, “**Sino Gas**” or the “**Company**”) is pleased to announce receipt of sales proceeds for gas sold from the Linxing PSC.

The joint venture company, Sino Gas & Energy Limited (“**SGE**”) has received US\$6.6 million equivalent (US\$3.2 million net to Sino Gas) from its PSC partner, CUCBM, for gas sales from the Linxing PSC for the period from December 2014 through to late November 2015. In line with expectations, revenue allocation has been calculated using the PSC principles of cost recovery and profit sharing.

Proceeds for gas sold from late November 2015 to February 2016 are expected to be received before the end of March, after the completion of final invoice reconciliations by CUCBM following the November 2015 NDRC price revision. Thereafter, cash receipts for gas sold from the Linxing PSC will be received monthly.

Linxing PSC gas sales proceeds represent about 85% of the total pilot program gas sales proceeds to the end of February 2016.

SGE will retain the cash to fund the future work program.

With the process to receive proceeds from gas sales confirmed and tested, the JV Partners now intend to proceed with the work program to ramp up production at the Linxing Central Gathering Station to installed capacity of 17 million standard cubic feet per day (“**MMscf/d**”) throughout the year. This will include drilling and tying in additional wells, including the two horizontal wells drilled in 2015.

Discussions regarding the outstanding gas sale proceeds from the Sanjiaobei PSC are ongoing with our PSC Partner PetroChina CBM (“**PCCBM**”).

Sino Gas’ Managing Director, Glenn Corrie said: “We are pleased that this important step in the value chain has been completed for the Linxing PSC pilot program with the receipt of proceeds from gas sales. Our focus is now on finalising payment from Sanjiaobei, ramping up production, delivering CRR’s and unlocking the full value of this world class asset by advancing towards Overall Development Plan approval and full field development.”

### Sino Gas & Energy Holdings Limited

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

#### 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 unconventional gas assets in China. 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.