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11 June 2014

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The Company Announcements Platform **ASX Limited** SYDNEY NSW 2000

Sino Australia Oil and Gas Ltd.

Company Response to The Australian, 11 June 2014 Article "Watchdog probes Sino Australia Oil and Gas for Market Fraud"

An article published in The Australian newspaper today has incorrectly stated that Sino Australia Oil and Gas Limited (SAO or the Company) is the subject of a criminal investigation and that the Australian Federal Police has executed search warrants against it in relation to an investigation into market manipulation and false trading in its shares.

No search warrant has been executed against the Company or any current director or officer of the Company.

The Company is aware from material disclosed to the Federal Court by ASIC that ASIC is investigating suspected contraventions of provisions of the Corporations Act relating to trading in its shares and that a search warrant was issued. The Company does not know against whom the search warrant was executed. ASIC has made no enquiries of the Company about these issues.

The Company is concerned that any potential contraventions in relation to trading in its shares are fully investigated but is unaware of the particulars of the trading concern and can shed no further light on the matter.

Eryn Kestel

Company Secretary