

ASX ANNOUNCEMENT

19 May 2011

TB09 WELL TEST – MOBILISATION COMPLETE

Highlights

- **TB09 Well Test – Mobilisation Complete; well test set to commence**
- **Planned well testing program**

TB09 Well Test – Mobilisation Complete

Sino Gas & Energy Holdings Limited (“Sino Gas”, the “Company”; ASX: SEH), an Australian company developing unconventional gas assets within the Ordos Basin, Shanxi Province China, has completed the mobilisation of all equipment for the flow test program on the TB09 Gas Discovery Well.



As of 08:00 hours today, Sino Gas's testing contractor, CCDC Changqing Downhole Service Company (CCDC) is in the process of completing the 'rig up' of all equipment and will then proceed to conduct pressure tests and all pre-job safety checks. Sino Gas's operations team are providing on-site supervision. Over the next week, CCDC will perforate a single gas 'pay zone' and follow this with a flow test to measure gas flow and formation pressure.

Depending on the flow rate achieved, Sino Gas will determine whether to hydraulically fracture stimulate the zone to increase gas flow. Various pressure 'build up' tests will then be conducted over a testing period of up to 3 weeks to obtain the appropriate sub-surface data.

Further updates will be provided as the test proceeds.

Planned well testing program

Following the test on TB09, Sino Gas is planning to test the TB03, TB06 and TB08 Gas Discovery Wells with CCDC. This program is expected to last for around 3 months, depending on the length of each test.

Commenting on the well testing program, Sino Gas Managing Director, Stephen Lyons, said he was pleased to be commencing what will be a very active flow testing campaign on the Linxing PSC.

“The flow tests being conducted are designed to generate the data to confirm gas reserves as the Company moves towards its development planning.

Assuming successful tests on the wells, it is intended that they form part of the Company’s Pilot development, which should see gas sales increase significantly as the Pilot proceeds,” said Mr Lyons.

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About Sino Gas & Energy Holdings Limited

Sino Gas & Energy Holdings Limited (ASX: SEH) is an Australian company focused on developing Chinese unconventional gas assets. The Company has operated in Beijing since 2005 and holds a portfolio of unconventional gas assets in China through Production Sharing Contracts (PSC’s).

The PSC’s are located in Shanxi province in the Ordos Basin and cover an area of over 3,700km². The Ordos Basin is the second largest onshore oil and gas producing basin in China. The area 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’s PSC’s are located and natural gas is seen as a key component of clean energy supply in China.

On Sino Gas’s Tuban prospect, 10 wells have been drilled, the latest being TB-09 in Q4, 2010. Extensive seismic and other subsurface studies have also been conducted. Multiple wells have been flow tested with commercial flow rates achieved on many of the wells, including significant commercial rates on the TB-07 well.

The statements of resources in this Release have been independently determined to Society of Petroleum Engineers (SPE) Petroleum Resource Management Systems (SPE PRMS) standards by internationally recognized oil and gas consultants RISC Pty Ltd. All resource figures quoted are mid case - 100%.

Additional information on Sino Gas can be found at www.sinogasenergy.com