





30 November 2015

SIGNIFICANT FLOW RATE RECORDED FROM EXPLORATION AREA OF LINXING EAST, SANJIAOBEI COMMERCIAL UPDATE

-  LXDG-04 upper zone tests at stabilised rate of 2.1 MMscf/d over 48 hours.
-  Sino Gas expects first reserve bookings for Linxing (East) in the 2015 independent reserve evaluation.
-  Sanjiaobei Central Gathering Station commercial discussions ongoing following recent NDRC pricing changes.
-  All regulatory approvals have now been received to enable payments of gas sales proceeds from Sanjiaobei PSC. The outstanding hurdle is to finalise payment procedures with our PSC partner.

Sino Gas & Energy Holdings Limited (ASX:SEH, "Sino Gas", "the Company"), is pleased to announce that a flow rate of 2.1 million standard cubic feet per day (MMscf/d) has been recorded from an upper zone of the LXDG-04 exploration well. In addition, the Company provides a commercial update on Sanjiaobei.

LXDG-04 testing results

Exploration well LXDG-04 tested at 2.1 MMscf/d from an upper zone in the prospective exploration area of the Linxing (East) Production Sharing Contract (PSC). This stable flow rate was recorded at a wellhead tubing pressure of 760 psi over a period of 48 hours and is in addition to the rate of over 600 thousand standard cubic feet per day (Mscf/d) recorded in a middle lower zone previously announced in the Q3 2015 Activities Report. Sino Gas estimates LXDG-04 could produce over 3 MMscf/d at standard field operating pressures.

Additional exploration disclosure for the testing of LXDG-04 and LXDG-05 is detailed on page 3.

Linxing (East) first reserve bookings expected in year-end reserve assessment

LXDG-04 exploration well is the third well in the Linxing (East) exploration area to yield production test flow rates above commercial thresholds following positive flow tests achieved on LXDG-03 and LXDG-05. LXDG-02 is currently being tested. In addition, as previously announced, good log results have been received from LXDG-06 with 57.8 meters of net pay identified. LXDG-07 and LXDG-08 are currently drilling and, if successful, is planned to be tested in 2016 along with LXDG-06.

In Sino Gas' most recent independent reserve and resource report assessment, RISC estimated 924 bcf¹ of gross deep gas P50 Prospective Resources in the Linxing (East) area (276 bcf net to Sino Gas), based on a prospective area of 334km² as at 31 December 2014. From the results discussed above, Sino Gas expects the forthcoming assessment as at 31 December 2015 will result in the conversion of a portion of the prospective resources into the first reserve bookings for the Linxing (East) area.

¹The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. Refer to Resources Statement for additional disclosure.

Sanjiaobei CGS Restart

Revised commercial terms for the restart of the Sanjiaobei Central Gathering Station (CGS) had been substantially negotiated prior to the 18 November 2015 National Development and Reform Commission (NDRC) announcement on revised city gate prices. This agreement would have allowed the immediate re-start of production from the Sanjiaobei station. However, in light of the updated city-gate prices, negotiations are continuing to incorporate these changes. The restart date of the Sanjiaobei station is expected before the end of the year and an update will be given once negotiations are completed.

Gas Payment Update

Sino Gas has now received all regulatory approvals necessary to allow the finalisation of gas sales payments from our PSC partner at Sanjiaobei to the Joint Venture Company. The outstanding hurdle is to finalise payment procedures with our PSC partner. These procedural issues have largely been pre-agreed with our partner. Sino Gas anticipates finalising these discussions by the end of the year as previously guided with final receipt of cash expected in late 2015 or early 2016.

Commenting on the flow testing results and Sanjiaobei regulatory approvals, Sino Gas' Managing Director, Glenn Corrie said:

"We are delighted to see the additional material flow test from LXDG-04 which, in combination with the flow rates achieved on the other wells tested on Linxing (East), demonstrate the area's potential to allow the first resource to reserve conversion. This will create another area of production growth for the company in the future.

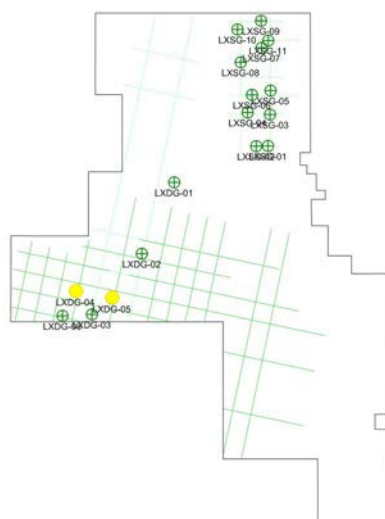
I am also pleased with the progress being made on the Sanjiaobei gas sale and payment commercial issues and look forward to these both being resolved in the near term. I would like to thank our customers, Chinese partners and all stakeholders for the constructive approach that has been taken to make progress on these issues."

Sino Gas & Energy Holdings Limited

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Exploration Disclosure	Testing Result	Testing Result
(a) The name and type of well.	LXDG-04 (Vertical Well)	LXDG-05 (Vertical Well)
(b) The location of the well and the details of the permit or lease in which the well is located.	Linxing Production Sharing Contract (PSC). Refer to maps below.	Linxing Production Sharing Contract (PSC). Refer to maps below.
(c) The +entity's working interest in the well.	31.70%	31.70%
(d) If the gross pay thickness is reported for an interval of conventional resources, the net pay thickness.	Electric wireline logs identified	Electric wireline logs identified
(e) The geological rock type of the formation drilled.	31.7m of net pay	10.2m of net pay
(f) The depth of the zones tested.	Coal bearing formations from the Permian to Carboniferous System.	Coal bearing formations from the Permian to Carboniferous System.
(g) The types of test(s) undertaken and the duration of the test(s).	test target payzone at a depth of 1396~1420m	test target payzone at a depth of 1442~1445m
(h) The hydrocarbon phases recovered in the test(s).	fractured and gas flow tested for 3 days	fractured and gas flow tested for 5 days
(i) Any other recovery, such as, formation water and water, associated with the test(s) and their respective proportions.	Gas	gas
(j) The choke size used, the flow rates and, if measured, the volumes of the hydrocarbon phases measured.	None	None
(k) If applicable, the number of fracture stimulation stages and the size and nature of fracture stimulation applied.	Choke size 8mm. Post-frac test gas rate was 2172,900scf/d with well head pressure of ~754psi.	Choke size 8mm. Post-frac test gas rate was 181,200scf/d with well head pressure of ~160psi.
(l) Any material volumes of non-hydrocarbon gases, such as, carbon dioxide, nitrogen, hydrogen sulphide and sulphur.	one stage	one stage
(m) Any other information that is material to understanding the reported results.	gas sample from tested pay zone shows CH4 94.384%, C2~C6 3.76%, CO2 1.856%.	gas sample from tested pay zone shows CH4 94.384%, C2~C6 3.76%, CO2 1.856%.

Linxing (East) – LXDG-04 & LXDG-05 well locations



About Sino Gas & Energy Holdings Limited

Sino Gas & Energy Holdings Limited ("Sino Gas" ASX: SEH) is an Australian energy company focused on developing Chinese unconventional gas assets. 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 3,000km². 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.

Resources Statement

The statements of resources in this Release have been independently determined to Society of Petroleum Engineers (SPE) Petroleum Resource Management Systems (PRMS) standards by internationally recognized oil and gas consultants RISC. These statements were not prepared to comply with the China Petroleum Reserves Office (PRO-2005) standards or the U.S. Securities and Exchange Commission regulations and have not been verified by SGE's PSC partners CNPC and CUCBM. EMV is the probability weighted net present value (NPV), including the range of project NPVs and the risk of the project not progressing. Project NPV₁₀ is based on a mid-case gas price of \$US8.79/Mscf and lifting costs (opex+capex) of ~ US\$1.3/Mscf for mid-case Reserves, Contingent & Prospective Resources. All resource figures quoted are unrisks mid-case unless otherwise noted. Sino Gas' attributable net Reserves & Resources assumes PSC partner back-in upon ODP approval, CBM Energy's option to acquire an interest of 5.25% in the Linxing PSC (by paying 7.5% of back costs) is exercised, and MIE fulfil funding obligations under the strategic partnership agreement. Reserves & Resources are net of 4% in-field fuel for field compression and field operations. Reference point is defined to be at the field gate.

Information on the Resources in this release is based on an independent evaluation conducted by RISC Operations Pty Ltd ("RISC"), a leading independent petroleum advisory firm. The evaluation was carried out by RISC under the supervision of Mr Peter Stephenson, RISC Partner, in accordance with the SPE-PRMS guidelines. Mr Stephenson has a M.Eng in Petroleum Engineering and 30 years of experience in the oil and gas industry. Mr. Stephenson is a member of the SPE and MICHemE and consents to the inclusion of this information in this release.

RISC is an independent advisory firm that evaluates resources and projects in the oil and gas industry. RISC offers the highest level of technical, commercial and strategic advice to clients around the world. RISC services include the preparation of independent reports for listed companies in accordance with regulatory requirements. RISC is independent with respect to Sino Gas in accordance with the Valmin Code, ASX listing rules and ASIC requirements.

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.