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(Incorporated in Bermuda with limited liability)
(Stock Code: 702)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the inside information provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that based on information currently available to the Board, it is expected that the Group would record a loss for the year ended 31 December 2015 as compared to the profit for the corresponding period last year.

This announcement is made based on the information currently available to the Board and a preliminary assessment on the unaudited consolidated management accounts of the Group for the year ended 31 December 2015 as the results of the Group have not been finalized and are subject to adjustments and further review by the Company and its auditor.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Sino Oil and Gas Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that based on information currently available to the Board, it is expected that the Group would record a loss for the year ended 31 December 2015 as compared to the profit for the corresponding period last year, mainly attributable to (a) the asset impairment in respect of the oilfields of the Group located in Shaanxi Province, the PRC based on the preliminary valuation of the oilfields as at 31 December 2015 and (b) the share option expenses incurred due to the grant of share options under its share option scheme as disclosed in the announcement of the Company dated 24 November 2015.

Both of the asset impairment in respect of aforesaid oilfields and the share option expenses are

non-cash accounting treatments in accordance with Hong Kong Financial Reporting Standards and have no effect on the cash flow for the Group's operation. In 2016, the international oil price is expected to continue to be at low level. The Company will actively broaden its source of income and reduce expenditure by way of cutting costs and enhancing efficiency with an aim to bring continuing returns to Shareholders.

This announcement is made based on the information currently available to the Board and a preliminary assessment on the unaudited consolidated management accounts of the Group for the year ended 31 December 2015 as the results of the Group have not been finalized and are subject to adjustments and further review by the Company and its auditor. Details of the Group's financial performance will be disclosed in the annual results announcement of the Company for the year ended 31 December 2015 which is expected to be released before the end of March 2016.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Sino Oil and Gas Holdings Limited
Dai Xiaobing
Chairman

Hong Kong, 26 February 2016

As at the date of this announcement, the Board comprises three Executive Directors, namely, Dr. Dai Xiaobing, Mr. King Hap Lee and Mr. Wan Tze Fan Terence; three Non-executive Directors, Mr. Chen Hua, Mr. Huang Shaowu and Mr. He Lin Feng, and four Independent Non-executive Directors, namely, Mr. Wong Kwok Chuen Peter, Professor Wong Lung Tak Patrick, Dr. Wang Yanbin and Dr. Dang Weihua.