

**Revenue Surged 42.8% to RMB7.20 billion for the First Half of 2011
Profit Attributable to Shareholders leapt 17.8% to RMB630 million
Continuous Growth of Gas Sales
Further Improves the Group's Revenue Structure**

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(Hong Kong, 29 August 2011) – ENN Energy Holdings Limited (“ENN” or “the Group”) (stock code: 2688), a privately-owned clean energy distributor in China, announced its interim results for the six months ended 30 June 2011 (“the Period”). During the Period, revenue surged 42.8% to RMB7.2 billion, profit attributable to owners of the company increased by 17.8% to RMB630 million. Stripping of one-off expenses and incomes, the Group’s profit attributable by core businesses recorded a significant increase of 26.1% compared with the same period last year. Earnings per share also increased by 17.8% to RMB 59.9 cents. The Board of Directors has resolved not to recommend an interim dividend.

Commenting on the encouraging results, Mr. Wang Yusuo, Chairman of ENN Energy, stated, “In the first half of 2011, the world’s economic recovery faced strong headwind due to persistent economic instability in Europe and the US, coupled with the arising inflationary problems emerging all over the world. In spite of this, thanks to the stable and continuously growing economic development in China, the Group’s connection and gas sales to residential households and commercial/industrial (“C/I”) customers both recorded robust growth, exceeding our initial target which was established earlier this year.” During the Period, the Group remained its sound financial strength with total cash on hand (including fixed bank deposits) of approximately RMB5.7 billion while its total debts amounted to RMB9.83 billion as of 30 June 2011. The Group’s net gearing ratio dropped 3.1% to 52.5% from 55.6% in the same period of last year.

Pipeline Construction

During the Period, revenue contributed by gas connection fee achieved RMB1.6 billion, representing a significant increase of 39.1% compared with the corresponding period last year, and was accountable for 21.9% of total revenue. The average connection fees for residential households and C/I customers were RMB2,738 and RMB152 (per m³) respectively during the Period. As compared with the figures in the first half of 2010, the average connection fee for C/I customers was set to be competitive as we strived to promote to more heavy-usage C/I customers for gas consumption, while the average connection fee for residential households remained similar.

Mr. Wang said, “Taking advantage of our industry experience and renowned management, the Group achieved sustained growth in the number of new connections. The new piped natural gas connections made to residential households and the newly installed designed daily capacity for C/I customers during the Period increased by 22.7% and 50.6%

respectively as compared with the same period last year. The robust growth in C/I customers not only evidenced the Group's excellent execution ability but also signified the competitive advantages of natural gas for fuelling over other kinds of energy."

Given the Group's strategy of acquiring projects with low gas penetration rates, as of 30 June 2011, the overall gas penetration rate of our China's projects was 37.4%. Based on our past experience, the gas penetration rates can reach to the level of 80 to 90%. In view of the tremendous amount of connectable population under the coverage of the Group's projects with exclusive operational rights, low gas penetration rate not only shows that we are still at the rapid development stage, but also ensures the Group a secured source of future revenue.

Gas sales

Revenue contributed by gas sales amounted to RMB3.86 billion, accounting for 53.6% of total revenue and represented a surge of 45.7% from the corresponding period last year. Revenue of RMB740 million was contributable by vehicle gas refuelling stations, represented 10.3% of total revenue and an increase of 33.5% from the same period last year. Since 2010, leveraging on the Group's existing infrastructure, we have started the wholesale business of natural gas, which further expanded our gas sales revenue as well as elevating our overall returns on investments. During the Period, revenue attributable by wholesale of gas leapt 50.2% to RMB580 million from the same period last year, constituting 8.1% of the Group's total revenue.

Sales of piped gas, sales from vehicle gas refuelling stations and wholesale of gas continued to accelerate, contributing an aggregated share of 72.1% of total revenue which grown further from the 71.3% of the same period last year. The Group's Chairman Mr. Wang commented, "The business of gas sales ensures the Group a long term and more stable revenue source going forward, improves our revenue structure by reducing the dependency on one-off connection fee. We expect the proportion of revenue from gas sales to expand further and remain the strongest pillar in our revenue structure."

During the Period, we completed the construction of 11 vehicle gas refuelling stations, furthering the Group's total number of refuelling stations to 203 spreading over 50 cities, of which 57 refuelling stations are located in 14 cities out of our piped gas project cities. With a view to maintaining persistent and rapid growth, the Group has taken proactive approaches to tap into new business segments. During the Period, we have launched the vehicle/ship-use LNG business which targets inter-city buses, heavy-duty trucks and domestic vessels by putting 10 LNG refuelling stations located in Guangdong, Zhejiang, Shandong, Hebei provinces and Inner Mongolia Autonomous Region into trial operation. Due to its relatively environmental friendly and economical nature, the Group believes that vehicle natural gas sales will continue its exponential growth. We will be able to achieve

greater economies of scale from the synergic effect of our secured source of gas and growing gas sales in the long run. Going forward, we will further develop vehicle/ship refuelling services in more cities, striving to turn the business into one of our important growth drivers of long-term gas sales.

It is the Group's strategy to allocate more resources to high margins businesses such as gas connections and sales of natural gas, hence, during the Period, revenue attributable to bottled LPG sales decreased 30.2% to RMB102 million and accounted for a mere 1.4% of the total revenue, dropping from 2.9% in the same period last year.

New piped gas projects

ENN has been relentlessly developing its business, during the Period, we successfully secured 10 new piped gas projects, including Yongzhou City, Wangcheng County, Ningxiang County Development Zone and Jinzhou Hi-tech Zone in Hunan Province, Hongze County and Yangcheng Environmental Protection Industrial Park in Jiangsu Province, Anxi County in Fujian Province, Rongcheng County in Hebei Province, Kunming City Hi-tech Zone in Yunnan Province, Dayou Linhai Economic Zone in Linhai City of Liaoning Province and the Guiping Industrial Park in Guigang City of Guangxi Province. The new projects contribute to an additional connectable urban population of over 1.7 million, and it's expected to contribute potential natural gas sales of approximately 700 million m³ per annum to the Group. Our total number of gas projects in China was further increased to 100 with connectable urban population of over 49 million. Together with the Group's overseas gas projects in Vietnam, total connectable urban population of the Group reached 58.1 million.

Energy management business

The Chinese government strictly implements policies with regards to energy saving and carbon-emission reduction, providing valuable opportunity for the Group to develop its energy management business. The construction of the Changsha Huanghua Airport which the Group participated in was started last year and completed on 9 June 2011. All relevant tests were completed and put into trial operation. Meanwhile, the Group has contracted 123 industrial energy-saving improvement projects, of which 63 have received gas connections and the total daily gas consumption reached 640,000 m³. As promised, the Group strives to provide diversified energy supply and energy management services to customers on the foundation of natural gas supply, so as to help them lower energy consumption costs, enhance the energy consumption efficiency and further reduce pollution.

Mr. Wang said, "The scale and coverage of ENN's gas projects in China has reached extensive scale, enabling us to selectively acquire high-quality piped gas projects in recent years, boosting the gas penetration rates of existing gas projects, facilitating the development of compressed and liquefied natural gas (as a substitute for gasoline) refuelling

stations that can increase long-term natural gas sales, developing the energy distribution channels in peripheral towns and cities of our gas projects, thus, achieving a sustainable business expansion for the Group. On the other hand, our first international gas project in Vietnam has shown optimistic progress. We are now developing customers in Ho Chi Minh and Hanoi, it is expected that the construction of pipeline networks will be commenced phase by phase over the next 2 years and will start generate more profit to the Group. In order to stretch our tentacles out of China, we are now conducting feasibility study on potential gas project in Asia for the Group to tap in.”

The year of 2011 marks the beginning of the 12th Five-year Plan, under which the Chinese government pledged to boost the current 105 billion m³ of natural gas consumption to 260 billion m³ in 2015, representing an increment of 2.5 times in natural gas consumption in the next 4-5 years, raising the share of natural gas in primary energy from the current level of 3.9% to 8.3%. The construction of natural gas transmission infrastructure including the West-East gas pipeline II and several LNG terminals were ramping up given the increasing demand in natural gas supply, with the geographical advantage of our gas projects, we are confident that the Group’s downstream projects will benefit from the abundant supply of gas sources.

Mr. Wang concluded, “The 12th Five-year Plan modeled a more optimistic outlook for the natural gas industry, therefore since last year, we have already started to expand our investment scale, raised the capital expenditure from RMB1.5 billion to RMB2 billion per year, showing confidence in our quality gas projects and the booming gas industry. With a view to facilitating the Group’s business development, we successfully issued a USD750 million 10-year bond with fixed interest rate of 6%. Through our concerted efforts over the years, we have successfully obtained an investment-grade rating for listed company and the bonds from the 3 prominent rating agencies, namely Standard and Poor’s, Moody’s Investors and Fitch Ratings, becoming one of the very few Chinese private enterprises that were granted with this credit rating. The Group’s ROE during the Period achieved 20%, remaining in the top-tier in the industry. 2011 is the 10th anniversary of our listing on the HK Stock Exchange. With proven growth and performance in the past decade, we would like to express our cordial gratitude to our staff and management for their significant contribution and to our shareholders as well as the investment community for their continuous support.”

About ENN Energy Holdings Limited

ENN Energy is one of the first privately-owned clean energy distributors in China. The principal business of the Group is the investment in, and the operation and management of, gas pipeline infrastructure, vehicle gas refuelling stations, wholesale of gas, the sales and distribution of piped gas and LPG in China. Its business activities also consist of the sale of gas appliances and equipment, the production of stored-value card gas meters and the provision of repair, maintenance and other services in connection with gas supply.

As of 30 June 2011, the Group has 100 project cities in 15 provinces, municipalities and autonomous regions, namely Anhui, Beijing, Fujian, Guangdong, Guangxi, Hebei, Henan, Hunan, Inner Mongolia, Jiangsu, Jiangxi, Liaoning, Shandong, Yunnan and Zhejiang, covering a connectable urban population of over 49.1 million. The Group has an offshore gas project in Vietnam located in Ho Chi Minh, Hanoi and Danang, covering a connectable urban population of over 8.9 million. The Group's total coverage of connectable urban population in China and overseas reaches over 58.1 million.

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Financial and Operational Data for 2011 Interim Results

	30.06.2011	30.06.2010	+/-
Business Development			
No. of project cities (China projects)	100	88	12
Connectable urban population (China projects)	49,135,000	45,663,000	7.6%
Connectable urban population (Vietnam project)	8,920,000	8,920,000	0%
Gas penetration rate (China projects)	37.4%	33.9%	3.5%
Revenue Analysis (RMB)			
Gas Connection	1,580,137,000	1,135,882,000	39.1%
Sales of piped gas	3,863,147,000	2,651,542,000	45.7%
Wholesale of gas	584,916,000	389,343,000	50.2%
Distribution of bottled LPG	102,289,000	146,515,000	-30.2%
Sales of gas appliances and material	330,386,000	164,970,000	100.3%
Vehicle gas refuelling stations	741,362,000	555,467,000	33.5%
Percentage of segment income in revenue (%)			
Gas Connection	21.9	22.5	-0.6
Sales of piped gas	53.6	52.6	1
Wholesale of gas	8.1	7.7	0.4
Distribution of bottled LPG	1.4	2.9	-1.5
Sales of gas appliances and material	4.7	3.3	1.4
Vehicle gas refuelling stations	10.3	11.0	-0.7
Gas Infrastructure			
Total length of pipeline (km)	17,264	15,537	11.1%
Gas processing stations	103	95	8
-Daily capacity (m ³)	24,818,000	22,713,000	9.3%
Vehicle gas refuelling stations	203	176	27
Connection increased during the Period			
Residential households (Households)	522,881	426,245	22.7%
Commercial/Industrial customers ("C/I") (Sites)	2,684	1,821	863 個
Installed designed daily capacity for C/I (m ³)	3,578,678	2,376,246	50.6%
Accumulated piped gas connection (including natural gas)			
Residential households (Households)	6,122,143	5,165,474	18.5%
C/I (Sites)	21,146	16,059	5,087 個
Installed designed daily capacity for C/I (m ³)	21,758,054	15,914,980	36.7%
Sales of gas			
Sales of Natural Gas (m ³)	2,451,589,000	1,805,268,000	35.8%
-Residential (m ³)	435,402,000	331,383,000	31.4%
-C/I (m ³)	1,573,612,000	1,150,794,000	36.7%
-Wholesale of gas (m ³)	133,440,000	87,376,000	52.7%
-Vehicle gas refuelling stations (m ³)	309,135,000	235,715,000	31.1%
Distributions of bottled LPG (tons)	17,584,000	29,384,000	-40.2%