

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Sino Gas & Energy Holdings Limited

ABN

16 124 242 422

Quarter ended ("current quarter")

30 September 2011

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(601)	(6,428)
	(b) development		
	(c) production		
	(d) administration (Note a)	(1,031)	(2,521)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	1	51
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
Net Operating Cash Flows		(1,631)	(8,898)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects		
	(b)equity investments		
	(c) other fixed assets	(3)	(28)
1.9	Proceeds from sale of: (a)prospects		
	(b)equity investments		
	(c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
Net investing cash flows		(3)	(28)
1.13	Total operating and investing cash flows (carried forward)	(1,634)	(8,926)

Note a: Current quarter amount includes payment for June 2011.

+ See chapter 19 for defined terms.

30/9/2001

1.13	Total operating and investing cash flows (brought forward)	(1,634)	(8,926)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	600	2,400
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other -Payment of share issue expenses	(4)	(89)
	Net financing cash flows	596	2,311
	Net increase (decrease) in cash held	(1,038)	(6,615)
1.20	Cash at beginning of quarter/year to date	2,606	8,297
1.21	Exchange rate adjustments to item 1.20	48	(66)
1.22	Cash at end of quarter	1,616	1,616

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(351)
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

The amount shown in item 1.23 above represents directors remuneration

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-
3.3 Other financing facilities (Notes a, b)	(a) Equity facility up to 24,600 (b) Placement and Share Purchase Plan of 6,000	2,400 -

Note a: On 27 April 2011, Sino Gas announced that it had signed a Share Purchase and Convertible Security Agreement to enable draw down of up to A\$29.4 million over 2 years. References are made to that announcement and the announcement made on 24 October 2011 for summary of terms.

Note b: On 24 October 2011, Sino Gas announced that it had successfully secured a gross fund of A\$4 million with strong Australian, Hong Kong and institution support, in conjunction with an additional A\$2 million (minimum) to be raised from existing shareholders via an underwritten Share Purchase Plan (SPP). Reference is made to that announcement.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	3,670
4.2 Development	
4.3 Production	
4.4 Administration	721
Total	4,391

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	1,616	2,606
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		1,616	2,606

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference ⁺ securities (description)	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A	N/A	N/A	N/A
7.3 ⁺ Ordinary securities	970,417,120	970,417,120	N/A	N/A

+ See chapter 19 for defined terms.

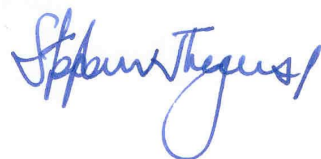
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil	N/A	N/A	N/A
7.5	*Convertible debt securities (<i>description</i>)	Expires 26 April 2013, A\$600,000 convertible to shares at 92.5% of the average of the five daily consecutive daily volume-weighted prices during a specified period prior to the date of conversion. Refer to 3.3(a).			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil	N/A	N/A	N/A
7.7	Options (<i>description and conversion factor</i>)	334,283,757	334,283,757	<i>Exercise price</i> 12.5 cents	<i>Expiry date</i> 31 December 2012
		31,644,345	31,644,345	50 cents	31 December 2011
		1,310,000	Nil	50 cents	13 March 2013
		8,750,000	Nil	7.93 cents	25 November 2013
7.8	Issued during quarter	Nil	N/A	N/A	N/A
7.9	Exercised during quarter	Nil	N/A	N/A	N/A
7.10	Expired during quarter	17,500,000	Nil	25 cents	15 September 2011
		4,400,000	Nil	50 cents	15 September 2011
7.11	Debentures (<i>totals only</i>)	-	-		
7.12	Unsecured notes (<i>totals only</i>)	-	-		

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does ~~/does not~~* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

Print name: **STEPHEN JOHN LYONS**
MANAGING DIRECTOR
31 October 2011

+ See chapter 19 for defined terms.

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.