Our Clear, Powerful Strategy:

“Move to Production”

Sino Gas & Energy
Unconventional Gas in China

Investor Presentation
May 2012

Roadmap to 'Value Creation'

The China Opportunity

- 3.7 Tcf independently assessed Reserves, Contingent & Prospective Resources (100%, Mid case)[1]
- Focused 2012 strategy - "Move to Production"
- China's gas market is transforming as the government moves to reduce its reliance on high carbon emitting coal
- Opportunity – "In China with substantial gas assets adjacent to markets & infrastructure"

Significant experience + success + partners

- Strengthened Board & Management team
- 100% exploration & appraisal well success – all wells flowed above commercial minimum rate
- Partnering with Chinese majors CNPC/PetroChina & CUCBM (CNOOC)

Clear Strategy

- Bridging disconnect between market capitalisation and $US1.8b project value[2]
- Clear path to production & revenue in place

(1) Figures are 100% project for the Linxing & Sanjiaobei PSCs. Sino Gas's share of Linxing (~65%) and Sanjiaobei (49%) following partner back-in
(2) Project EMV (Expected Monetary Value) is based on a mid case gas price of US$7.64/Mscf. Lifting costs (opex + capex) ~ US$2/Mscf. Mid case Internal Rate of ~ 49%.

Introducing Robert Bearden

"It is rare to see assets with the size and scale of Sino Gas's PSCs in China in close proximity to a huge market and associated infrastructure" (Robert Bearden)

CEO & President

Joined Sino Gas – May 2012
Beijing based – leading talented team already in place

Development & Production Specialist

Substantial experience in gas development
'Excellent fit' with Sino Gas's strategy to move through to Production

Background

30 + years 'upstream' petroleum industry experience
Numerous international postings in Indonesia, Kazakhstan, Africa & the USA
Career professional – mainly Chevron
Joined Sino Gas from Operations Director of Addax Petroleum (a Sinopec subsidiary with substantial operations in Africa and the Middle East)

Share price does not reflect the value of Sino Gas's assets

...systematic program in place to 'unlock' shareholder value

Team

Strengthening of executive, board and management team

Delivering Results

2011 exploration success:
↑43% (2.6 Tcf to 3.7 Tcf) in reserves & resources[1]
↑178% ($US664m to $US1.8b) in project risked value[2]
2012 work programs approved by partners & underway
Pilot production and sales expected to commence in 2H 2012

"... gas the hottest prospect for energy investment in the world's top energy consumer" (Reuters)

Projects

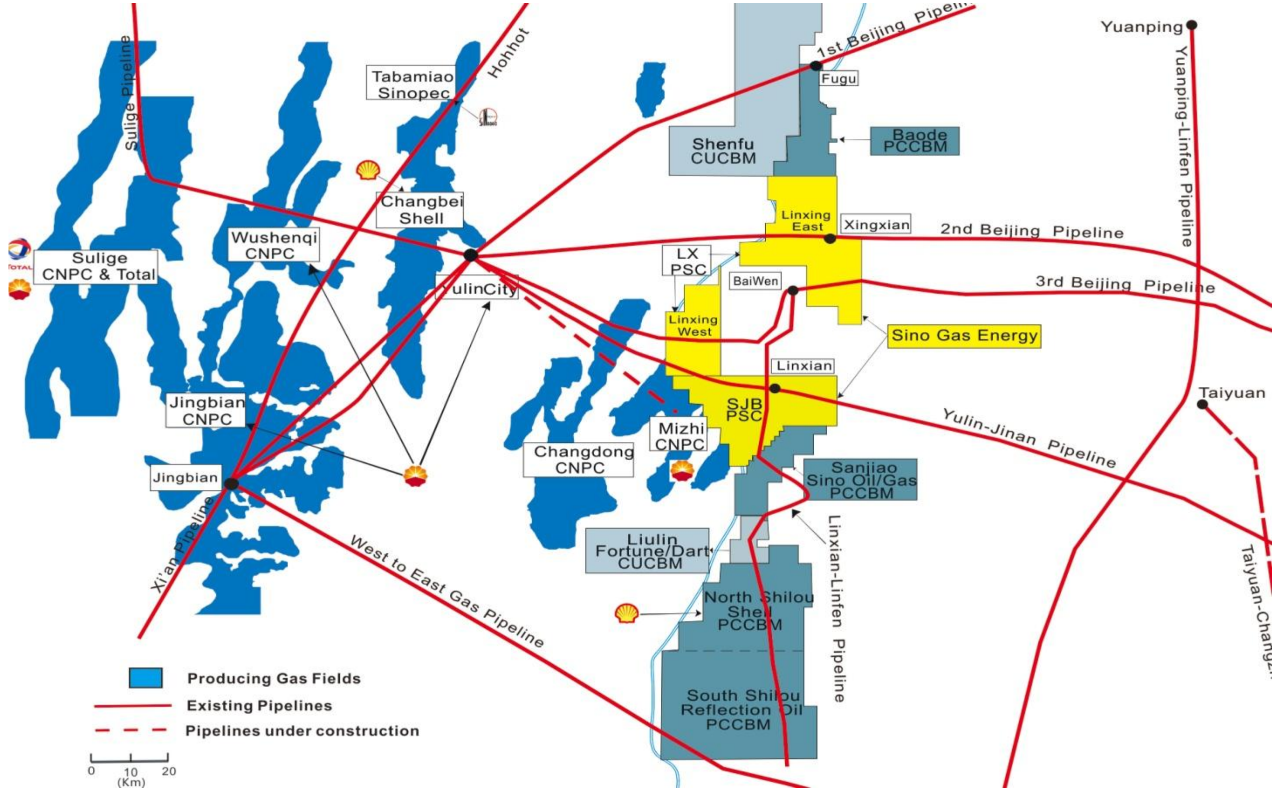
Development Focus on key projects
Identified in China's 12th 5 year plan for accelerated development

Funding

Financing solution being advanced with planned announcement towards mid June 2012

...we have just started

China’s Ordos Basin – key to the 12th 5 year plan



China’s Ordos Basin

- 2nd largest gas basin in China
- Key transcontinental gas transport hub
- Gas resource is pipeline quality methane sourced from underlying coal seams

Pathway to Production

- Multiple gas pipelines in place & under construction
- Embarking on LNG and CNG production in the short term, pipeline distribution in the longer

Robust and increasing Gas prices

- High gas price[2] ~ US$7.50 Mscf
- Move to link gas prices to imported fuel & gas
- Sino Gas’s projects commercial [2] > US$2 Mscf

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In a setting like no other

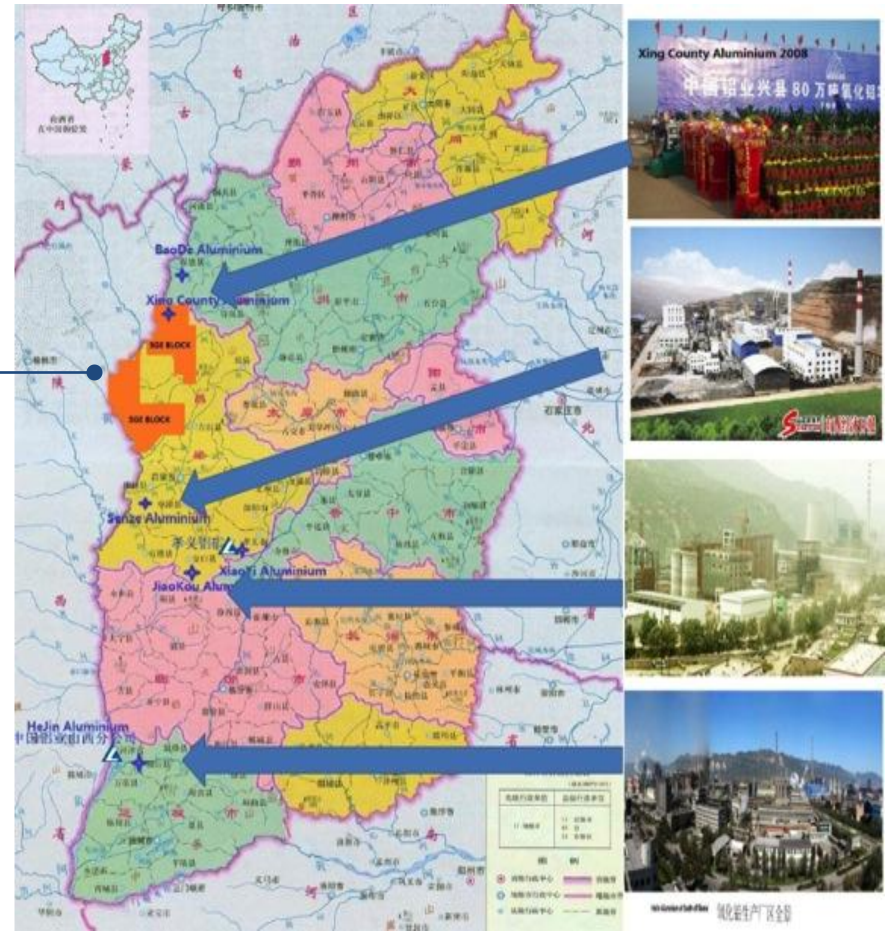
"China places hopes on unconventional gas development"
(China Oil & Gas Monitor)

Gas powered future

Shanxi Province is implementing an industry & retail gasification strategy in the 12th 5 year plan

Shanxi Province's Gasification Strategy

Sino Gas's PSCs



Gas Demand

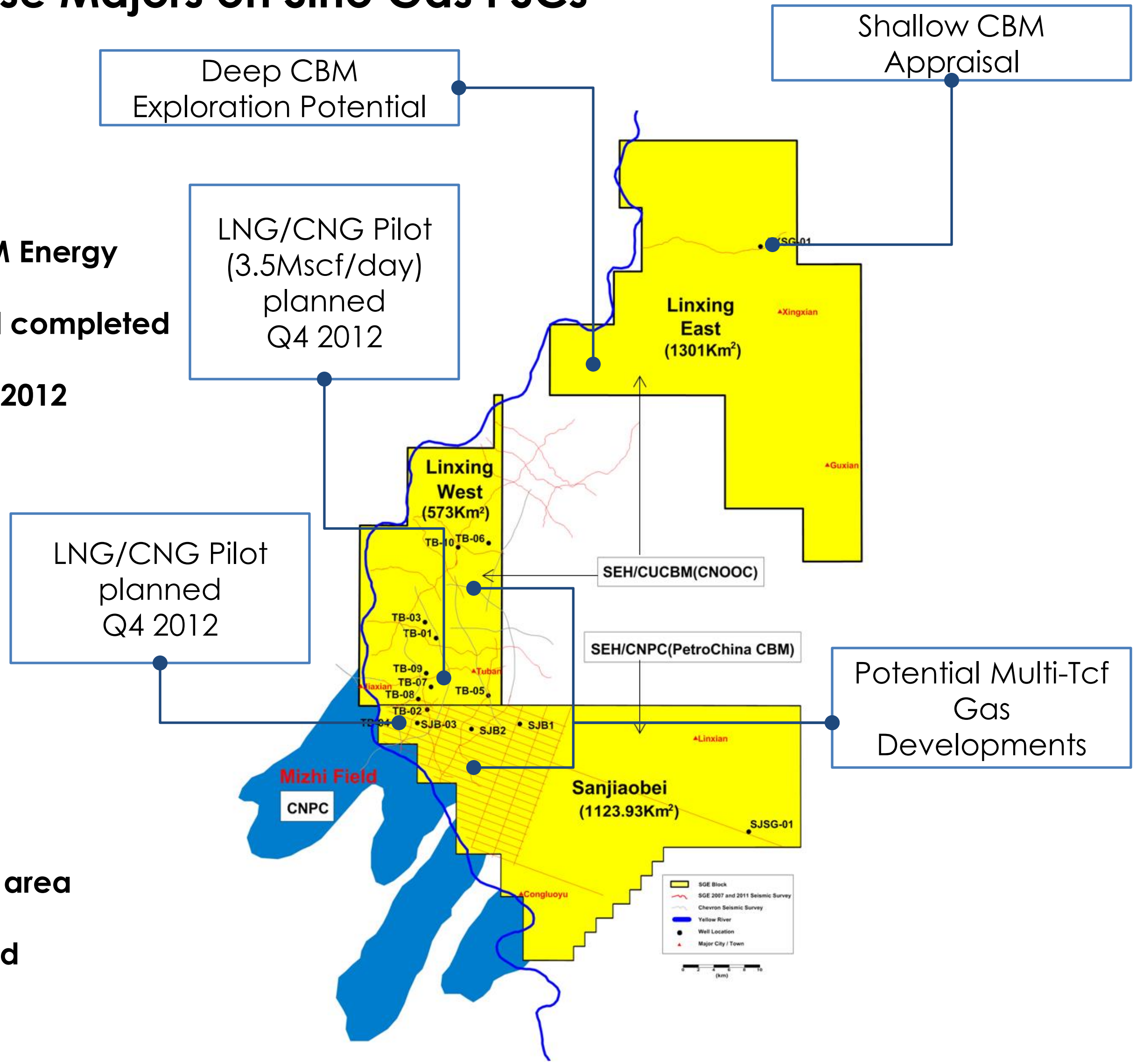
Shanxi province converting coal-fired power plants to gas
Constructing new gas-fired aluminum smelting plants
Constructing province-wide pipeline network

… with a solid strategy

Strong relationships with Chinese Majors on Sino Gas PSCs

Linxing PSC

Sino Gas (64.75%), CUCBM/CNOOC (30%),CBM Energy (5.25%)
Linxing West significant exploration & appraisal completed
Substantial gas discoveries
Linxing East remains underexplored – focus for 2012



Sanjiaobei PSC

Sino Gas (49%), CNPC/PetroChina (51%)
Substantial exploration & appraisal on Western area
Central & Eastern areas remain underexplored
Project adjacent to CNPCs producing Mizhi field

Substantial Resources underpinning our projects

3.7 Tcf

Reserve, Contingent & Prospective Resources Assessment[1]

Jan '12 Independent Reserves & Resources assessment (100% mid case - Bcf)[1] by RISC

Reserves	**22** 2P
Contingent Resources	**1,799** 2C
Prospective Resources	**1,861** Mid
GIIP	**11,079** Mid

60% of acreage unexplored – significant additional resource potential

RISC's Field Development Assumptions

$US1.8b

Independent Project risked valuation[2]

IRR ~ 49%

Mid case for Linxing West and Sanjiaobei development projects[2]

~$400 million net revenue

Sino Gas share of planned development steady state production of 200+ million scf/day for each project with a planned phased development
1st Phase ~ 90 wells

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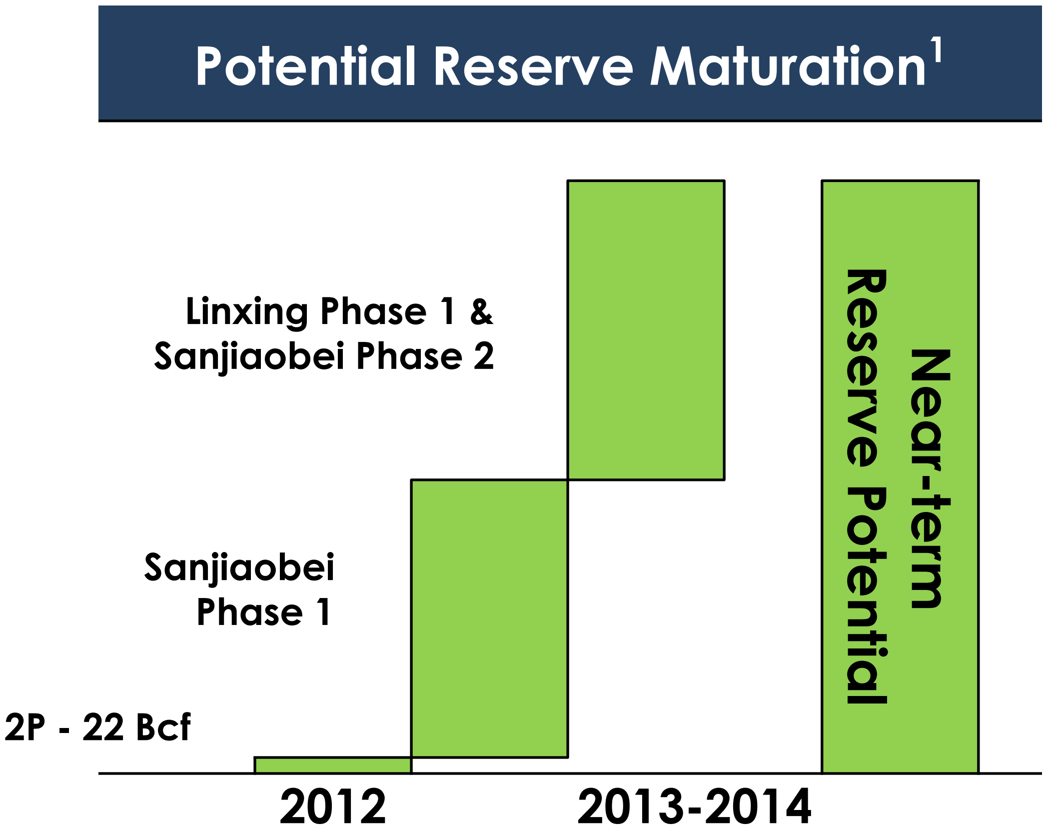
Moving to development through the Chinese Approval process

	2012 Work Program	2013 Milestones - Indicative Timing				2014
2012 Program Cost						
SJB $11m	6-7 wells 110 km seismic 10 frac tests	CRR Approval		ODP Approval		
LX West (Deep) $9m	5 wells 200 km seismic 8 frac tests		CRR Approval			ODP Approval
LX East (Deep) $2m	1 well 100 km seismic 1 frac test				CRR Approval	
LX East (Shallow) $3m	8 wells 70 km seismic 4 frac tests	CRR Approval		ODP Approval		
Total $25						
LNG/CNG pilot	Volumes up to 3.5Mscf/day by year end	Pilot volumes expanding as new facilities added and new wells come online				

CRR – Chinese Reserves Report
ODP – Overall Development Plan

"Clear Line of Sight" on Reserve Maturation



Significant Reserve Growth Potential

In line with obtaining Chinese Reserve Report approvals

Note: Based on internal estimates only and not necessarily to scale

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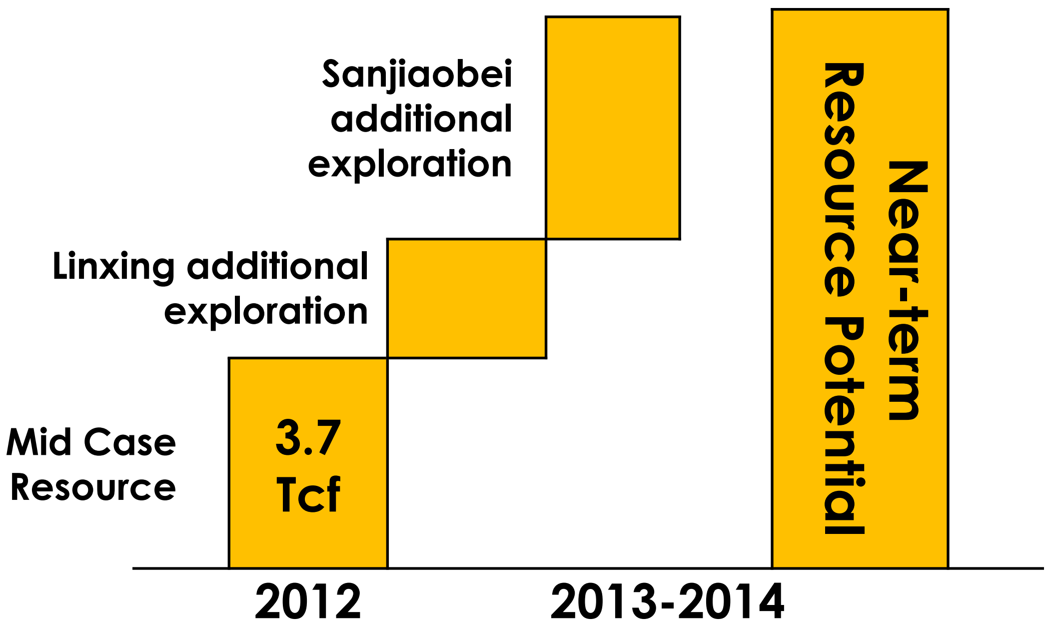
Substantial further Resource Growth potential

Potential Resource Growth[1]



Note: Based on internal estimates only and not necessarily to scale

Significant Resource Growth Potential

Sino Gas's has only explored ~ 40% of acreage
Significant potential additional resource in outstep areas

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Investment Highlights

Focused strategy - “Move to Production”

End of year volumes of 3.5Mscf/day through LNG/CNG Pilot facilities
Progressing to development through the Chinese Approval process

The China Opportunity

In China with unique substantial gas assets adjacent to markets & infrastructure
Partnered with Chinese majors CNPC/PetroChina & CUCBM (CNOOC)
Sino Gas’s projects part of China’s 12th 5 year plan

Addressing Value gap

Bridging disconnect between market capitalisation and $US1.8b project value[2]
Reserve maturation schedule should drive significant equity value

Disclaimer & Resource Statements

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Resource Statements

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 and NSAI. All resource figures quoted are mid case - 100% unless otherwise noted.

Extensive program to strengthen Board & Management now complete

Gavin Harper
Executive Chairman

- 36 years + experience in the oil and gas industry, 25 years with Chevron
- Former MD of Chevron's Korean Gas Business Development
- Previously implementation manager Chevron Australia – Gorgon Project and led the project to integrate Australian & PNG operations

Robert Bearden
CEO & President (Beijing based)

- 30 year career professional in field development and production operation, mainly with Chevron
- Immediate previous role with Addax Petroleum, a Sinopec subsidiary with substantial operations in Africa and the Middle East
- Joined Sino Gas in May 2012 to lead the organisation towards development

Bernie Ridgeway
Non-Executive Director

- Member of the Institute of Chartered Accountants Australia, and the Australian Institute of Company Directors
- Over 23 years experience with public and private companies as owner, director and manager
- Current MD of Imdex Limited (ASX: IMD), an ASX listed company with a market capitalization of $470m

Peter Mills
Non-Executive Director

- 29 years experience in field development, operations management, JV management and commercial negotiations with Woodside, BHP Petroleum, Hess and Premier Oil
- Previous roles include President of Premier Oil Indonesia, President of Hess Indonesia and Technical Manager for Hess UK
- Previously MD of Eureka Energy Limited (ASX: EKA), Director of Castle Energy Consultants

Extensive program to strengthen Board & Management now complete

John Chandler
Non-Executive Director

- Barrister and Solicitor in Western Australia; over 30 years commercial, corporate and business experience; previously partner at Freehills, KPMG Legal and Deacons
- Currently a Director of Catalyst Composites Limited, Chairman of WHL Energy (ASX:WHL), and a Co-Director of the Centre for Mining, Energy and Natural Resources Law at the University of Western Australia

Colin Heseltine
Non-Executive Director

- 40 year career with Australian Department of Foreign Affairs and Trade (1969-2008)
- Australian Ambassador to Republic of Korea (2001-2005), Director of Australian Commerce and Industry Office in Taiwan (1992-1997), and Deputy Head of Mission in the Australian Embassy Beijing (1982-1985 and 1988-1992)
- Currently a Senior Associate with the Nautilus Institute and is Vice Chairman of the Australia Korea Business Council

Stephen Lyons
Vice President Finance & Corporate
(Beijing based)

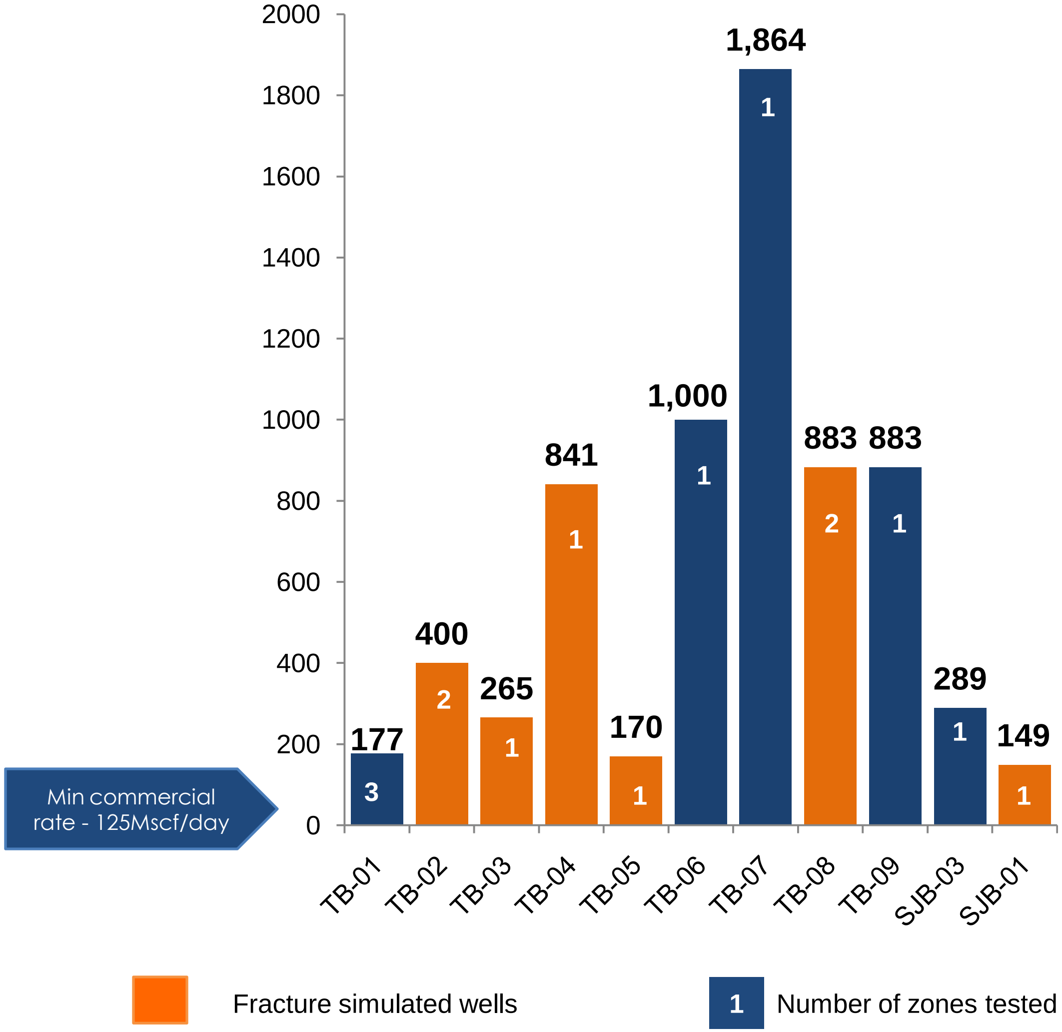
- Co-founder of Sino Gas and Energy, Chartered Accountant with an Audit, Corporate Services and Banking background – based in Beijing for 6 years
- Previous Managing Director of Sino Gas
- Played a vital role in the successful farm out from Chevron and leading the organisation through its successful exploration & appraisal phases

Frank Fu
Vice President Operations
(Beijing Based)

- Joined Sino Gas & Energy as COO in August 2010
- Previously at ConocoPhillips for 16 years
- Leads Sino Gas's Operations & Sub-surface team with 20+ years experience
- Has had extensive CBM operational experience in Shanxi Province, including on Sino Gas's acreage

Excellent Drilling Success Rate to Date

Tested well gas flow rates (Mscf/day)



100% of wells have flowed above commercial minimum rate

All wells vertical to date – but planning horizontal wells
Reservoirs typically contain up to 5 pay zones per well – to date only selective wells tested

Source: RISC Independent Resource Assessment (Jan 2012)

Field Development Assumptions from RISC

RISC Reserve/Resource evaluation in Jan 2012 updated full field development models

- **Sino Gas share of project NPV10 US$2.3b[2]**
- **Sino Gas share of project EMV (Risked NPV10) US$1.8b[2]**
- **Mid case Internal Rate of Return (IRR) on both projects ~ 49%**
- **Key assumptions and outcomes as noted**

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SINO Gas & Energy
An Emerging Clean Energy Company in China

Asset interests held under "world standard" Production Sharing Contracts

Sino Gas Contract Interests

PSC	Working Interest (Exploration)	Net Interests (Production)	Current Status	Cost Recovery / Revenue Split
Linxing	Sino Gas 100%	Sino Gas 64.75% CUCBM 30.0% CBM Energy 5.25%[1]	Contract Expiry 2028 Exploration Period extended to 31 Aug 2013	Exploration costs are funded by Sino Gas and are recoverable from future revenues upon achieving development. Development and operating costs along with revenue achieved from production are split pro rata, with the exception of revenue received from Pilot Production which will be 100% attributable to Sino Gas
Sanjiaobei	Sino Gas 100%	Sino Gas 49.0% CNPC 51.0%	Contract Expiry 2033 Exploration Period Renewal underway	

PSC Phases

PSC	Exploration Phase	Development Phase	Production Phase
Linxing	▪ Exploration (<5yrs): Reconnaissance (1.5 yrs), Core Testing (1.5 yrs), Pilot Development (2 yrs) ▪ Extension available if time not reasonably sufficient for pilot development ▪ Suspension also available (max 5 yrs)	Commences – date of approval of Overall Development Plan (ODP)	▪ Commences – on the date of Commercial Production ▪ Can be extended through negotiation
Sanjiaobei	▪ Exploration (<5yrs): Reconnaissance (2 yrs), Core Testing (3 yrs) ▪ Extension available if time not reasonably sufficient for pilot development (max 5 yrs)	Commences – date of approval of Overall Development Plan (ODP)	▪ Commences – on the date of Commercial Production ▪ Can be extended through negotiation

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