

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 June 2012

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(629)	(1,727)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(1,206)	(2,157)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	32	32
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		(1,803)	(3,852)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(10)	(10)
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		(10)	(10)
1.13	Total operating and investing cash flows (carried forward)	(1,813)	(3,862)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(1,813)	(3,862)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc	-	3
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	(50)	(50)
	Net financing cash flows	(50)	(47)
	Net increase (decrease) in cash held	(1,863)	(3,909)
1.20	Cash at beginning of quarter/year to date	2,287	4,317
1.21	Exchange rate adjustments to item 1.20	15	31
1.22	Cash at end of quarter	439	439

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	(240)
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 and expat expenses	

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	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration	3,850
Total	3,850

Note: As previously announced, the Company has engaged independent corporate advisory and stockbroking firm Argonaut as the Company's corporate and financial adviser to assist in developing short and longer term funding opportunities to progress the projects towards development. In July 2012, the Company closed the strategic transaction with MIE Holdings Corporation (MIE). The above estimated outflows include a number of payments for financing, accounting, legal and transaction fees relating to the completion of this transaction.

In accordance with MIE agreement, MIE is to invest US\$90 million into SGE to be used to finance Qualifying Expenditure under the Production Sharing Contracts to explore the group's exploration projects in China.

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	439	2,287
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	439	2,287

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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	1,120,417,120	1,120,417,120	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -	N/A -	N/A -
7.5 *Convertible debt securities (description)	N/A			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)			Exercise price	Expiry date
	334,283,757	334,283,757	12.5 cents	31 December 2012
	1,310,000	Nil	50 cents	13 March 2013
	8,750,000	Nil	7.93 cents	25 November 2013

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		30,000,000	Nil	7.5 cents	15 February 2017
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	Nil	N/A	N/A	N/A
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (totals only)	-	-		

Note: During the 3 months ending 30 June 2012, as approved by shareholders at the Company's Annual General Meeting held on 30 May 2012, the Company issued 8,300,000 Performance Rights to certain Directors, together with the issue of 3,500,000 Performance Rights to key Chinese employees. At 30 June 2012, the Company has issued a total of 46,800,000 Performance Rights. These Performance Rights were issued in accordance with the Company's Performance Rights Plan as approved by shareholders. The Performance Rights, each exercisable for one ordinary share, can be exercised upon the achievement of a number of future performance hurdles.

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 5).
- 2 This statement does ~~/does not~~* (delete one) give a true and fair view of the matters disclosed.

Sign here:



Print name: **GAVIN HARPER**
EXECUTIVE CHAIRMAN
30 July 2012

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