

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

SINO GAS & ENERGY HOLDINGS LIMITED

ABN

16 124 242 422

Quarter ended ("current quarter")

31 March 2013

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date 3 months \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) administration	(665)	(665)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	88	88
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		(577)	(577)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(35)	(35)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other assets	-	-
1.10	Loans to / (from) other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – costs related to sale of equity investments	(963)	(963)
Net investing cash flows		(998)	(998)
1.13	Total operating and investing cash flows (carried forward)	(1,575)	(1,575)

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1.13	Total operating and investing cash flows (brought forward)	(1,575)	(1,575)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	11,581	11,581
1.15	Share issue costs	(407)	(407)
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(4)	(4)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	11,170	11,170
	Net increase (decrease) in cash held	9,595	9,595
1.20	Cash at beginning of quarter/year to date	7,749	7,749
1.21	Exchange rate adjustments to item 1.20	(68)	(68)
1.22	Cash at end of quarter	17,276	17,276

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	375
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

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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

On 6 July 2012, the Company completed a strategic partnership agreement with MIE Holdings Corporate (MIE). MIE acquired 39 million ordinary shares in Sino Gas & Energy Limited (SGE) from Sino Gas & Energy Holdings Limited (Sino Gas) for a consideration of \$9.7 million (US\$10 million). In addition, MIE will progressively invest a further US\$90 million into SGE to secure an interest of 51% in the issued capital of SGE. Refer to *Note 23 Interests in joint ventures* in the notes to the consolidated financial statements of the 31 December 2012 year end accounts for more information.

As at 31 March 2013, \$19.4 million (US\$20.25 million) dollars had been cash called relating to qualifying expenditure, representing \$5.1 million (US\$5.3 million) in loan notes, \$14.3 million (US\$14.9 million) towards cumulative redeemable preference shares (CRPS) to be converted into ordinary shares.

Sino Gas' economic interest in SGE as at 31 March was 75.36%, pending conversion of \$2.7 million (US\$2.8 million) in CRPS, which will bring Sino Gas' economic interest to 73.35%.

+ 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*	2,102
Total	2,102

*This includes payment relating to financing fees for the Company's corporate advisor in relation to the MIE strategic partnership transaction.

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	17,276	7,749
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (please provide details)	-	-
Total: cash at end of quarter (item 1.22)	17,276	7,749

Changes in interests in mining tenements

	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Refer to section 2.2		
6.2	Interests in mining tenements acquired or increased			

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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 (cents)	Amount paid up per security (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	1,238,648,140	1,238,648,140		
7.4	Changes during quarter (a) Increases through conversion of options (b) Increases through issue of ordinary securities	27,265,345 82,448,979	27,265,345 82,448,979	12.5 cents 12.25 cents	12.5 cents 12.25 cents
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)			<i>Exercise Price</i>	<i>Expiry Date</i>
		8,750,000	Nil	7.93 cents	25 November 2013
		30,000,000	Nil	7.5 cents	15 February 2017
7.8	Issued during quarter	Nil	Nil	N/A	N/A
7.9	Exercised during quarter	Nil	Nil	N/A	N.A
7.10	Expired during quarter	1,310,000	Nil	50 cents	13 March 2013
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (totals only)	-	-		

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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 give a true and fair view of the matters disclosed.

Sign here:



Print name:

ROBERT BEARDEN
Managing Director & CEO
22 April 2013

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