Investor Update
Australia
September 2013




“Size, Scalability, Market and Pricing”

Resources Statements & Disclaimer

SINO Gas & Energy 中澳煤层气能源

Sino Gas & Energy Holdings Limited (“Sino Gas” ASX: SEH) is an Australian energy company focused on developing Chinese unconventional gas assets. Sino Gas holds a 49% interest in Sino Gas & Energy Limited (“SGE”) through a strategic partnership completed with MIE Holdings Corporation (“MIE” SEHK: 1555) in July 2012 to develop two blocks held under Production Sharing Contracts (PSCs) with CNPC and CUCBM. SGE has been established in Beijing since 2005 and is the operator of the Sanjiaobei and Linxing PSCs in Shanxi province.

Resource Statement

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 (March 2013). These statements were not prepared to comply with the China Petroleum Reserves Office (PRO-2005) standards or the U.S. Securities and Exchange Commission regulations and have not been verified by SGE’s PSC partners CNPC and CUCBM. Project NPV_{10} is based on a mid-case gas price of $US 8.54/Mscf, lifting costs (opex+capex) ~ US$1.3/Mscf mid-case for P50 Discovered and Prospective. All resource figures quoted are unrisked mid-case unless otherwise noted. Sino Gas’ attributable net reserves & resources assumes PSC partner back-in upon ODP approval, CBM Energy’s option to acquire an interest of 5.25% in the Linxing PSC (by paying 7.5% of back costs) is exercised, and MIE fulfill funding obligations under the strategic partnership agreement.

Information on the Resources in this release is based on an independent evaluation conducted by RISC Operations Pty Ltd (RISC), a leading independent petroleum advisory firm. The evaluation was carried out by RISC under the supervision of Mr Peter Stephenson, RISC Partner, in accordance with the SPE-PRMS guidelines. Mr Stephenson has a M.Eng in Petroleum Engineering and 30 years of experience in the oil and gas industry. RISC consent to the inclusion of this information in this release.

Disclaimer

Certain statements included in this announcement constitute forward looking information. This information is based upon a number of estimates and assumptions made by the Company in light of its experience, current conditions and expectations of future developments, as well as other factors that the Company believe are appropriate in the circumstances. While these estimates and assumptions are considered reasonable, they are inherently subject to business, economic, competitive, political and social uncertainties and contingencies.

Many factors could cause the Company’s actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, gas prices, exploration, acquisition, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward-looking information is no guarantee of future performance and, accordingly, investors are cautioned not to put undue reliance on forward looking information due to the inherent uncertainty therein. Forward-looking information is made as at the date of this announcement and the Company disclaims any intent or obligation to update publicly such forward-looking information, whether as a result of new information, future events or results or otherwise.

An Established Gas Company FOCUSED ON DEVELOPMENT

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Sino Gas has all the Size & Scalability

- PSC area covers 2,998 km^2 (740,822 acres)
- 5.7 tcf of 100% project unrisked mid-case reserves and resources, with Sino Gas' net reserves and resources at 1.6 tcf[1] – only approximately 50% of acreage explored
- RISC updated reserve and resources assessment by October 2013 - 1,235km of new seismic lines and drilling results from 20 new wells – now approximately 70% explored

Funding Secured

- US$90m of PSC expenditures for 2012/13 work programs being funded by MIE Holdings Corporation
- SGE has cash called MIE for approximately 30% of the $US90 million of PSC project funding

Exceptional Economics and Low Cost Access to Market

- High margins underpinned by rollout of pricing regime to link gas to energy import prices
- First Gas Sales Agreement signed on Linxing to supply industrial users through existing pipelines which traverse the PSCs
- Sino Gas's share of project NPV in developing the 2P Reserves and mid-case Contingent & Prospective resources is US$1.86 billion[2]

Expertise to Deliver

- Multiple decades of technical and management experience in delivering Tier 1 projects
- In-country experience and benefiting from strategic partner's proven track record of delivering Overall Development Plan approvals on Chinese PSCs

1 –Refer to Resource Statements on slide 2 for full disclosure. 2 - Project NPV_{10} is based on mid-case gas price of US$8.54/Mscf and lifting costs (opex+capex) of ~US$1.3/Mscf mid-case for P50 Discovered + Prospective. RISC assessment as at March 2013.

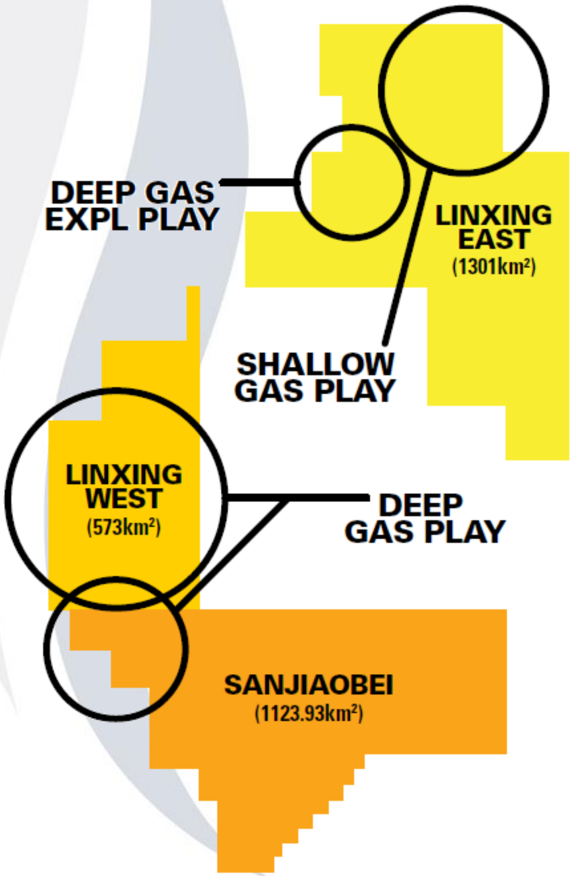
Ordos Basin
The Right Place at the Right Time

- Rated as one of the world's largest gas basins[1]
- Current production ~1.5 bcf/day
- Operators include TOTAL, SHELL, CNPC, SINOPEC, etc.
- China's 12th Five Year Plan stipulates accelerated development of Ordos Basin gas
- Sino Gas' Linxing PSC specifically designated to be fast tracked

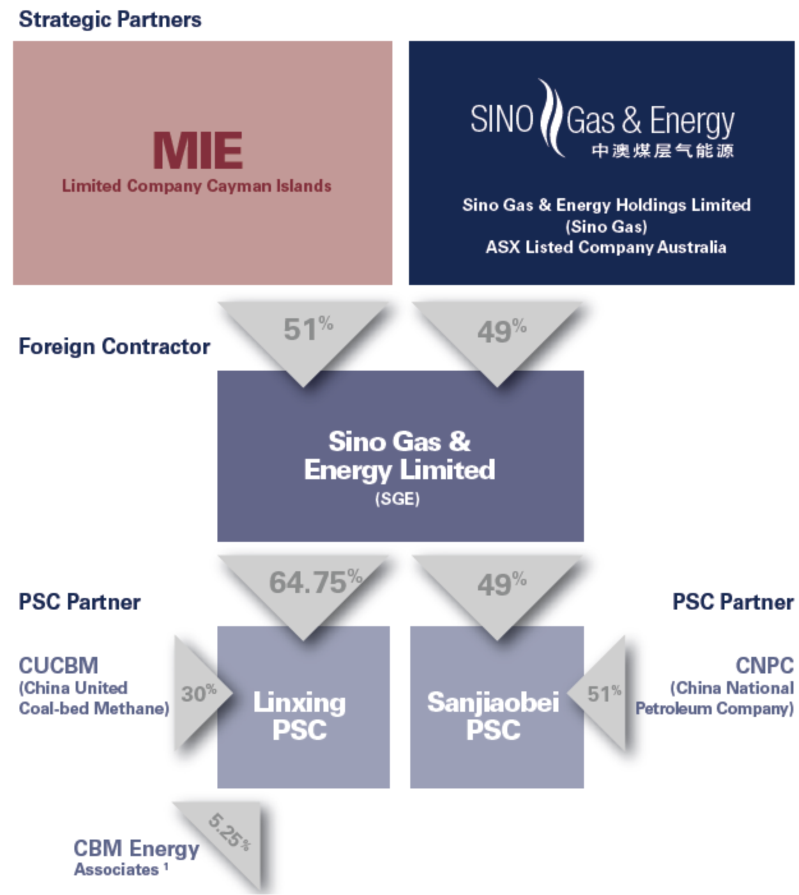
1 - Source: Wood Mackenzie

Two PSCs
MULTIPLE PROJECTS

- Approximately a third of the total acreage yet to be explored

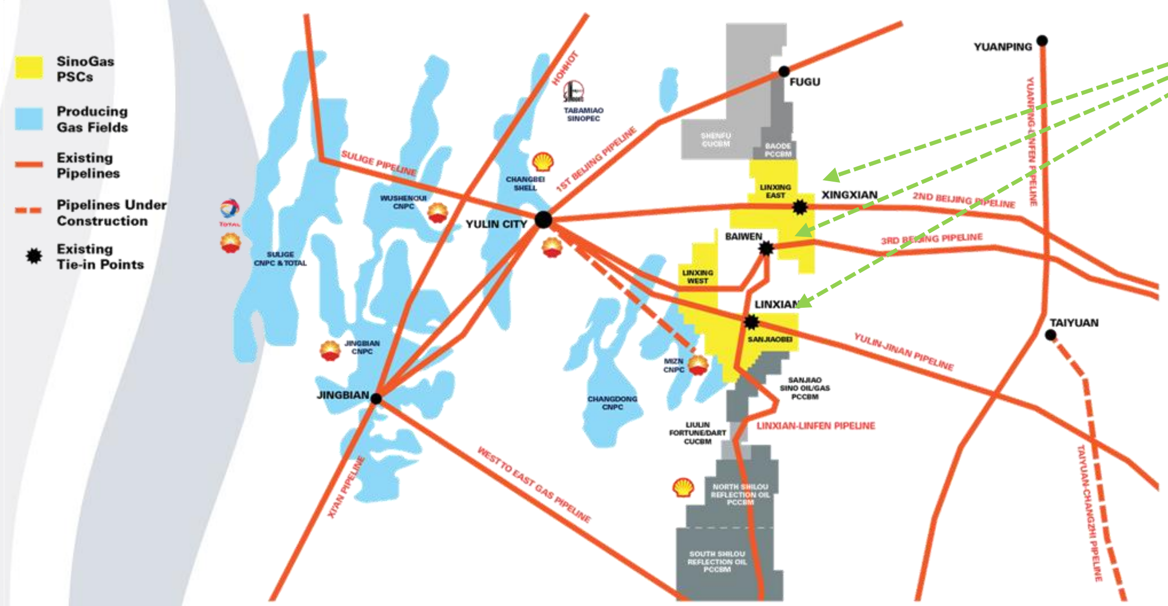


- Partnered with major Chinese PSC operators with extensive development delivery experience



1 – CBM Energy has an option to acquire 5.25% of Linxing by paying 7.5% of back costs

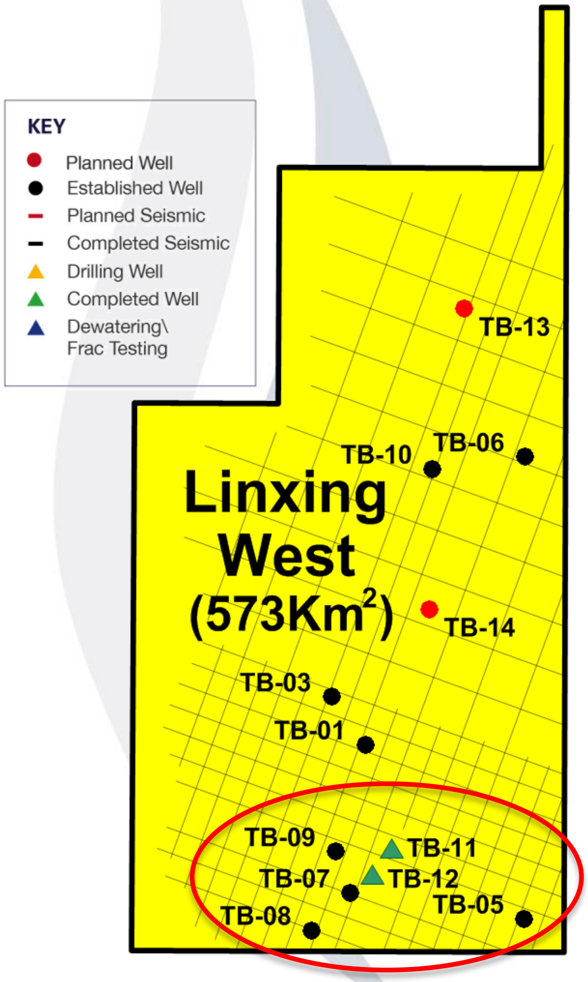
Accessible Routes to Market via Existing Pipelines



Multiple gas pipelines with existing tie-in points will provide market access for Sino Gas' pipeline quality gas

- Key transcontinental gas transport hub
- Above ground infrastructure with ample spare capacity
- Existing and planned demand far exceeds supply
- Shanxi Province alone (population ~ 35 million) underpins supply

First Gas Sales Agreement Signed - Linxing

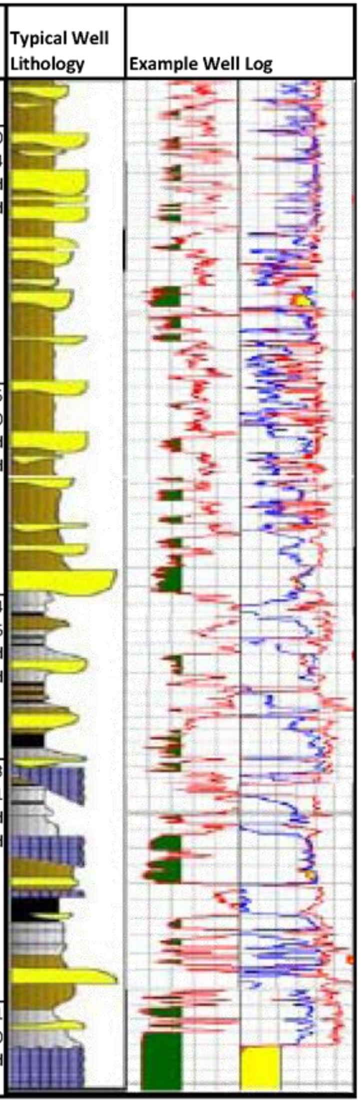


- Gas sales agreement establishes commerciality of Linxing Production Sharing Contract
- Multi-year agreement with maximum contracted volume of up to 35 MMscf/day[1]
- Agreement allows pilot production to commence as early as December 2013
- Gas supplied under the agreement will be sold to the industrial gas market in Shanxi Province through existing pipeline infrastructure
- An initial price of approximately US$7/Mscf (thousand standard cubic feet) will apply during the first year, and will be adjusted on an annual basis by reference to Shanxi Province market prices and applicable government policies
- Initially 7 wells planned to be brought online, including a horizontal well scheduled to be drilled in Q3 2013

1 –Subject to the approval of Chinese Reserve Report, Overall Development Plan and other licensing requirements for the gas production, the gas sales contract is valid over the life of the Linxing PSC.

2013 FLOW TESTING PROGRAM COVERAGE

Mscf/d=thousand standard cubic feet per day	
Completed tests	10
Scheduled 2013 tests remaining	4
Average flowrate	630 Mscf/d
Flowrate range	115~1860 Mscf/d
Completed tests	5
Scheduled 2013 tests remaining	20
Average flowrate	280 Mscf/d
Flowrate range	115~660 Mscf/d
Completed tests	4
Scheduled 2013 tests remaining	16
Average flowrate	170 Mscf/d
Flowrate range	100~330 Mscf/d
Completed tests	3
Scheduled 2013 tests remaining	1
Average flowrate	175 Mscf/d
Flowrate range	115~230 Mscf/d
Completed tests	1
Scheduled 2013 tests remaining	0
Flowrate	105 Mscf/d



Note: Includes preliminary testing results from 6 single payzones as of 20 August 2013.

Another Significant
UPGRADE IN RESERVES & RESOURCES

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- Total Project unrisked mid-case reserves and resources of 5.7 tcf (100%) [1]
- Sino Gas' attributable unrisked mid-case reserves and resources of 1.6 tcf [1]
- Fully funded 2012/13 work programs commence significant resource maturation

PROJECT (100%) RESERVES & RESOURCES		BEST ESTIMATE GAS IN PLACE (GIP) (BCF)	1P RESERVES (BCF)	2P RESERVES (BCF)	3P RESERVES (BCF)	2C (MID CASE) CONTINGENT RESOURCES (BCF)	P50 MID CASE PROSPECTIVE (BCF)
LINXING PSC		12,343	66	193	412	1,569	2,129
SANJIAOBEI PSC		5,684	46	134	287	654	1,047
TOTAL	2013	18,027	112	327	699	2,223	3,176
TOTAL	2012	11,931	7	22	47	1,799	1,861
CHANGE		+51%		+1386% (2P)		+24%	+71%

SINO GAS' ATTRIBUTABLE NET RESERVES & RESOURCES	1P RESERVES (BCF)	2P RESERVES (BCF)	3P RESERVES (BCF)	2C (MID CASE) CONTINGENT RESOURCES (BCF)	P50 MID CASE PROSPECTIVE (BCF)	NPV 10 MID CASE (US$M)	EMV (US$M)
2013							
LINXING PSC	21	61	130	494	638	1,307	1,078
SANJIAOBEI PSC	11	33	69	159	247	556	478
TOTAL	32	94	199	653	885	1,863	1,556

1 –Refer to Resource Statements on slide 2 for full disclosure. RISC assessment as at March 2013.

Exceptional Returns
WITH FURTHER UPSIDE POTENTIAL

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Sino Gas' Net Returns
$US 1.86 billion[1]
RISC Independent Economic Valuation announced 20 March 2013
Project IRR ~ 56 to 72%
Mid-case for Linxing and Sanjiaobei[2]
~ 600 MMscf/day modeled steady state production
Sanjiaobei ~200 MMscf/day and Linxing ~400 MMscf/d on total project (100%)

Project Economic assumptions

- EUR Per Well 3 Bcf
- Well Head Gas Price US$8.54 /Mscf
- Average Cost Per Well ~ US$2.1m
- P50 Capex Lifting Cost ~US0.65/Mscf
- P50 Opex Lifting Cost ~US$0.63/Mscf

Pad Drilling | **Horizontal Wells** | **Underexplored Acreage**

2 - Project NPV_{10} is based on mid-case gas price of US$8.54/Mscf and lifting costs (opex+capex) of ~US$1.3/Mscf mid-case for P50 Discovered + Prospective.

1 –Refer to Resource Statements on slide 2 for full disclosure. RISC assessment as at March 2013.

2013 – Delivering the Plan

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- ☑ Drill 32 Wells – 20 Completed – On track to complete drilling program by YE'13
- ☑ 1,235km of new seismic lines – Acquired and interpreted
- ☑ 24 well testing program – Testing 13 wells underway - On track to complete by YE'13
- ☑ Gas Sales Agreement signed on Linxing in June 2013
- ☑ Reserve and reserves upgrade in March 2013, with SEH's share at 94 billion cubic feet (Bcf) of reserves and 1,538 Bcf of resources[1]
- ☑ Strengthening of SGEH management team with the addition of a Chief Financial Officer, Technical Manager and other technical experts
- ☐ RISC updated reserve and reserves assessment in October to include year to date seismic, wells and testing, and is expected to provide a further upgrade
- ☐ Pilot production scheduled to commence by YE'13
- ☐ Negotiation on a second gas sales agreement underway
- ☐ Process for full field development funding initiated

1 –Refer to Resource Statements on slide 2 for full disclosure. RISC assessment as at March 2013.

2014 – Business Plan

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- Aggressive well new program ramping up over the next 3 years
- Majority of the new wells to be hooked up directly into the pilot production program upon completion
- Further seismic to complete required grid lines for CRR submissions
- Pilot production across both PSCs increasing throughout the year
- Operations team staffing to be more than doubled by year-end – majority of additional personnel to be in field locations
- Extensive well testing program covering both new and existing wells
- Additional CRR submissions expected to be submitted in first half 2014
- Ongoing early preparation for submission of Overall Development Plans by mid-year 2015

Contacts

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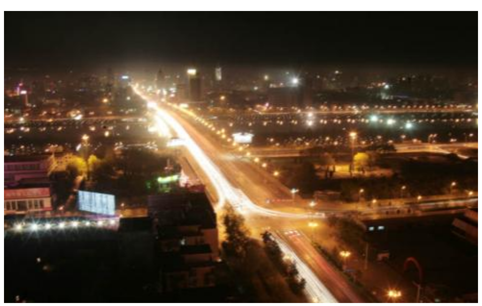
Our latest announcements and presentations can be found on our website:
www.sinogasenergy.com



Company Snapshot

SINO Gas & Energy
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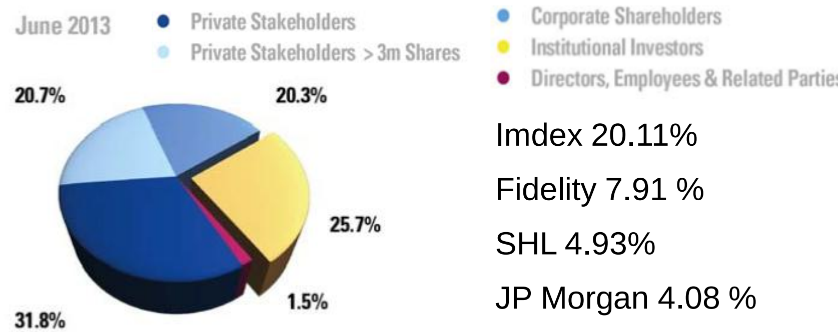
Corporate Information

As at 5 September 2013	
Share Price (ASX:SEH)	17.5c
Market Cap	A$219m
Issued Shares	1,123m
Options	36.75m
Cash Balance (30 June 2013)	A$15.5

Transitioning Share Register

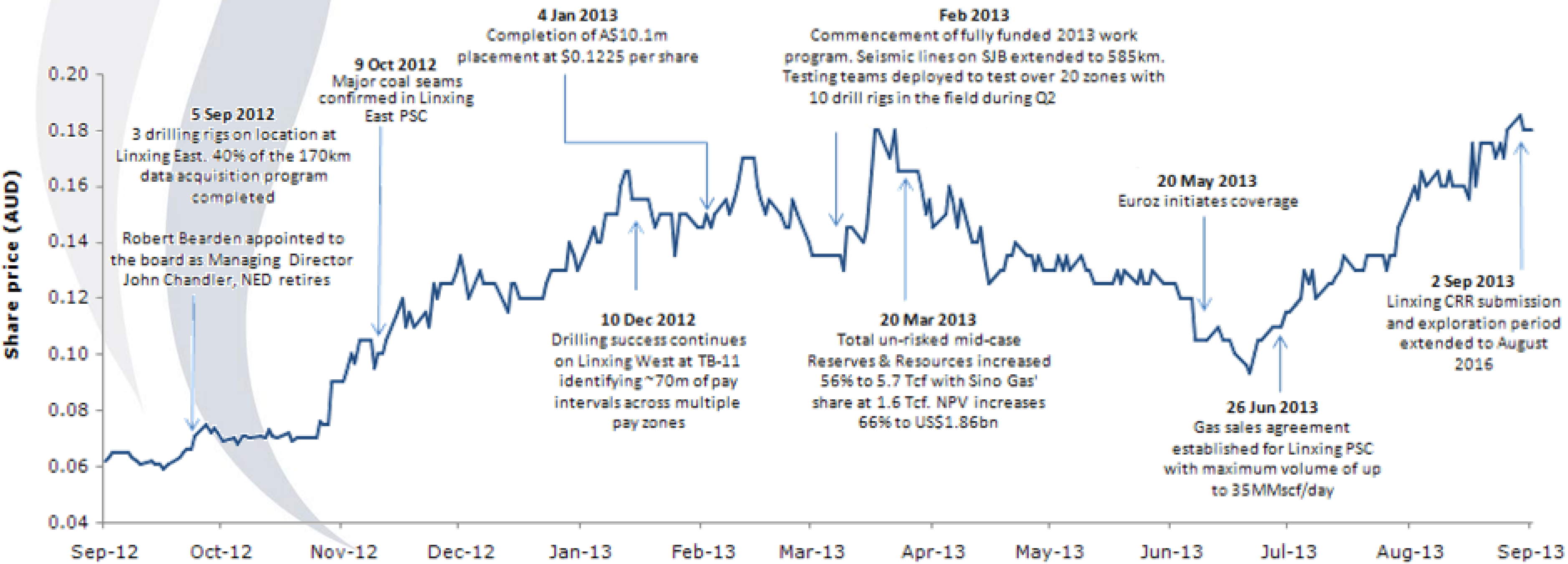


Imdex 20.11%

Fidelity 7.91 %

SHL 4.93%

JP Morgan 4.08 %



All About Execution
DELIVERING THE PLAN

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FULLY FUNDED

2006 – 2011
Proving the Concept

- 430 km seismic lines completed and 15 wells drilled & 11 wells tested
- 2011 reserves report by RISC, 3.7 tcf of total unrisked mid-case reserves & resources
- Commercial viability proved - moved from exploration to appraisal phase

2012 Work Program
Delineating the Area

- Joint venture strategic partnership with MIE completed 6 July
- Sanjiaobei drilling program delayed due to floods - catch up program initiated
- 270km seismic program completed & 12 wells drilled on both PSCs

2013 Preparing for
CRR & ODP submission

- Updated independent reserves and reserves assessment based on 2012 work program evaluates total unrisked mid-case reserves & resources at 5.7 tcf[1]
- Drilling program expanded from 25 to 32 wells, including two horizontal wells
- Fraccing underway to test 30+ known and previously untested pay intervals
- 2013 seismic program completed - 1,235km of lines acquired & interpreted
- Pilot program design underway and long lead items sourced
- First CRR completed and early ODP preparations underway

1 –Refer to Resource Statements on slide 2 for full disclosure. RISC assessment as at March 2013.

Board and Management
EXPERTISE & EXPERIENCE TO DELIVER

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Gavin Harper
Chairman

- More than 37 years experience in the oil and gas industry, 25 years with Chevron
- Former MD of Chevron's Korean Gas Business Development
- Previously business manager Chevron Australia – Gorgon Project and led the project to integrate Chevron's Australian & PNG operations
- Extensive worldwide project management experience
- Member of the Australian Institute of Company Directors

Robert Bearden
Managing Director and Chief Executive Officer (Beijing based)

- More than 30 years of experience in the upstream petroleum industry, predominantly in the areas of field development and production operations
- Previously worked for major corporations in the industry, including field executive management roles with Chevron based in Kazakhstan, Africa, Indonesia and the United States
- Most recent role since leaving Chevron was the Director of Operations for Addax Petroleum, a Sinopec subsidiary with substantial production operations in Africa and Middle East
- Member of the Australian Institute of Company Directors

Bernie Ridgeway
Non-Executive Director

- Over 23 years corporate experience with public and private companies as owner, director and manager
- Current MD of ASX listed Imdex Limited (ASX: IMD)
- Member of the Institute of Chartered Accountants Australia
- Member of the Australian Institute of Company Directors

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); Deputy Head of Mission in the Australian Embassy Beijing (1982-1985 and 1988-1992)
- Recently retired secretary of APEC and currently a senior associate with the Nautilus Institute and vice chairman of the Australia Korea Business Council
- Member of the Australian Institute of Company Directors