London Roadshow
November 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 (October 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. EMV is the probability weighted net present value (NPV), including the range of project NPVs and the risk of the project not progressing. Project $NPV_{10}$ is based on a mid-case gas price of $US8.79/Mscf and lifting costs (opex+capex) of ~ US$1.3/Mscf for mid-case Reserves, Contingent & Prospective Resources. 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 fulfil 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.

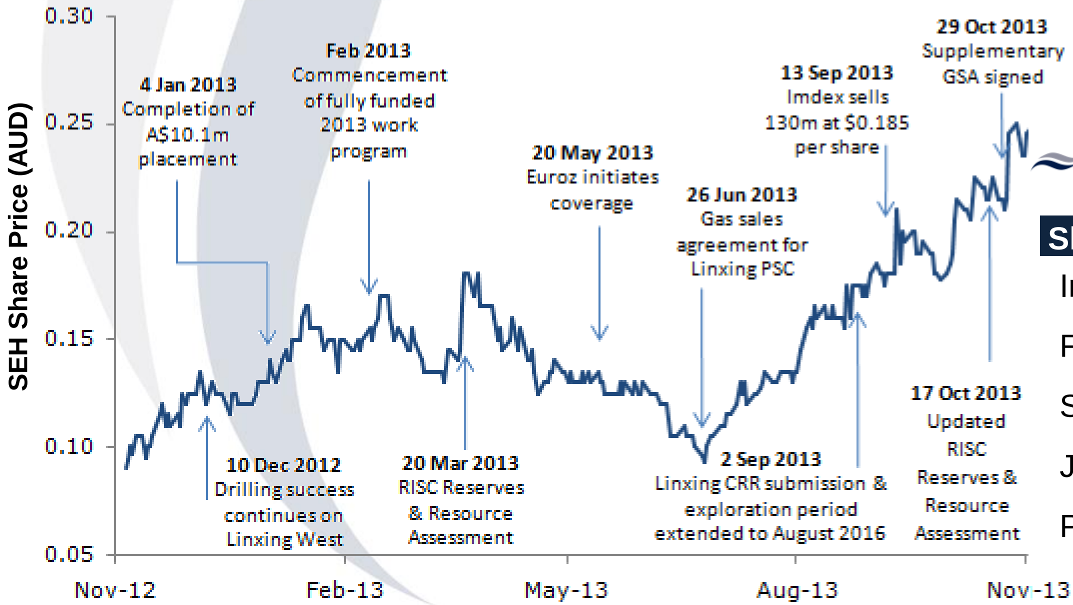
# Company Snapshot

SINO Gas & Energy 中澳煤层气能源

## Corporate Information

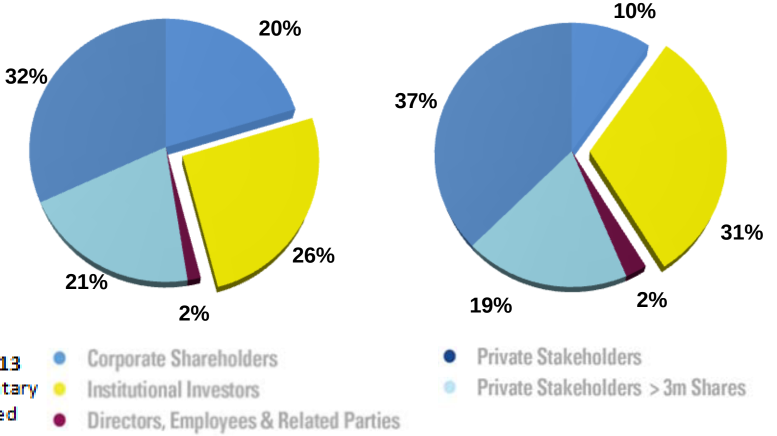
| As at 1 November 2013 | |
|---|---|
| Share Price (ASX:SEH) | 24.5c |
| Market Cap | A$309m |
| Issued Shares | 1,260m |
| Cash Balance (30 Sept 2013) | A$14.9 |

US$90m of 2012/13 PSC work program expenditure being funded by MIE - approximately 42% cash called to date.




## Transitioning Share Register

| June 2013 | September 2013 |
|---|---|




## Q3 SEH Top Shareholders

| Shareholders | Ownership |
|---|---|
| Imdex | 9.7% |
| Fidelity | 8.1 % |
| SHL | 4.9% |
| JP Morgan | 3.9% |
| Perennial | 2.9% |

# Investment highlights

SINO Gas & Energy 中澳煤层气能源

- A growing reserve and resource base (100% Project 2P Reserves at 877 bcf[1]) in one of the world's largest gas basins
- Natural gas consumption in China planned to double by 2017
- Tier 1 partners and attractive PSC fiscal regime
- Competitive well and operating costs - $1.30/Mscf[1]
- Key infrastructure in place and access to large domestic market
- Attractive pricing - $7.00/Mscf for first year
- First Gas Sales agreement signed in June 2013 with pilot production expected in Q4 2013
- Aggressive forward plan – seismic, drilling, development
- 30% of acreage yet to be fully explored



*1 –Refer to Resource Statements on slide 2 for full disclosure.*

# Sino Gas (ASX:SEH)
# The Right Place at the Right Time

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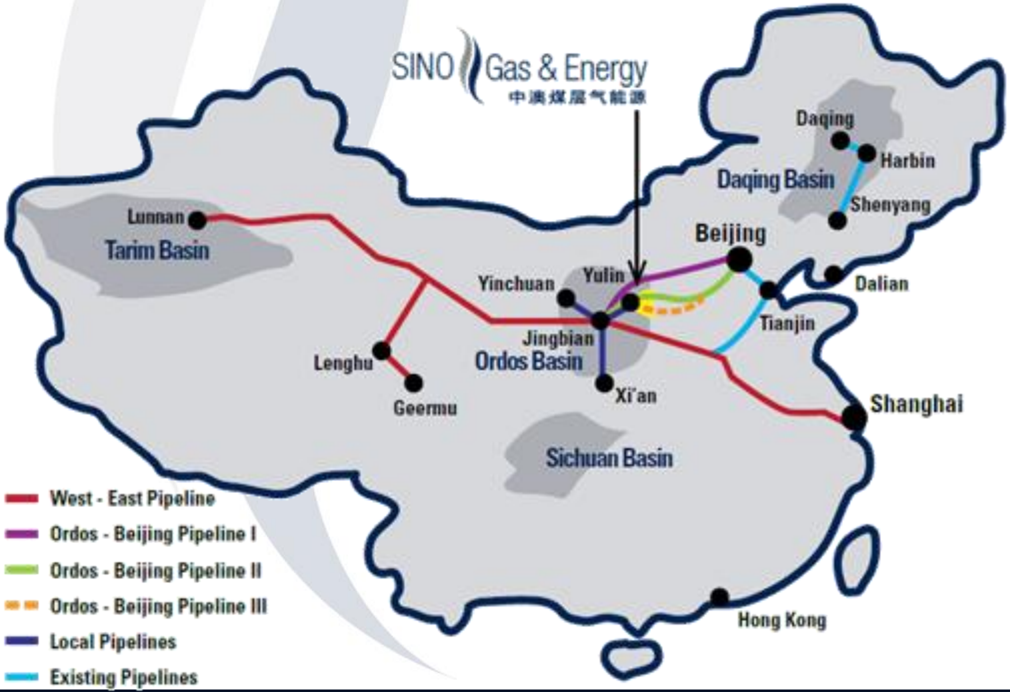
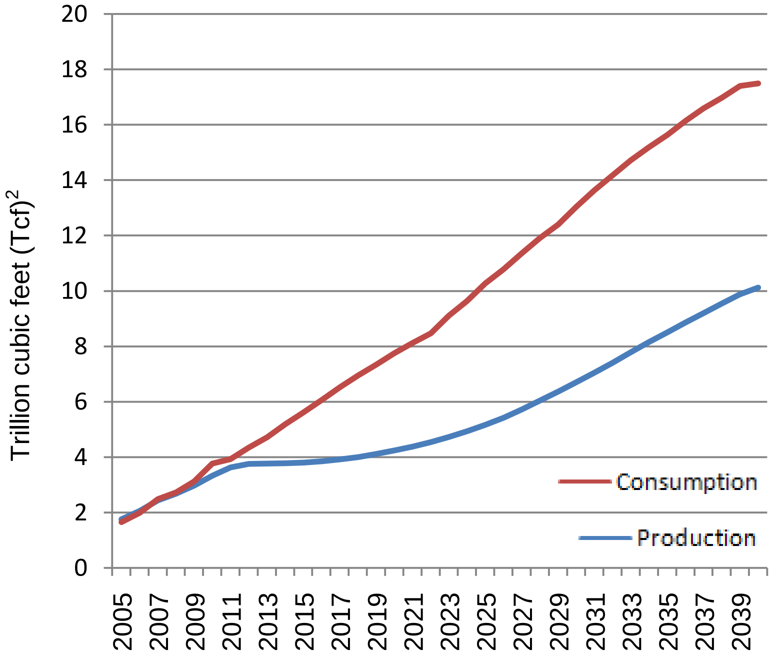
## Ordos Basin

- 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




## China's Growing Gas Supply Shortfall

- Gas supply in China is serviced by domestic production, and supplemented by increasingly substantial imports of LNG and pipeline gas.
- Central government is promoting local gas production to reduce the supply shortfall and the country's reliance on costly imported gas.






*1- Source: Wood Mackenzie 2 -Source: International Energy Agency (EIA) 2013 Annual Energy Outlook.*

# Accessible Routes to Market via Existing Pipelines

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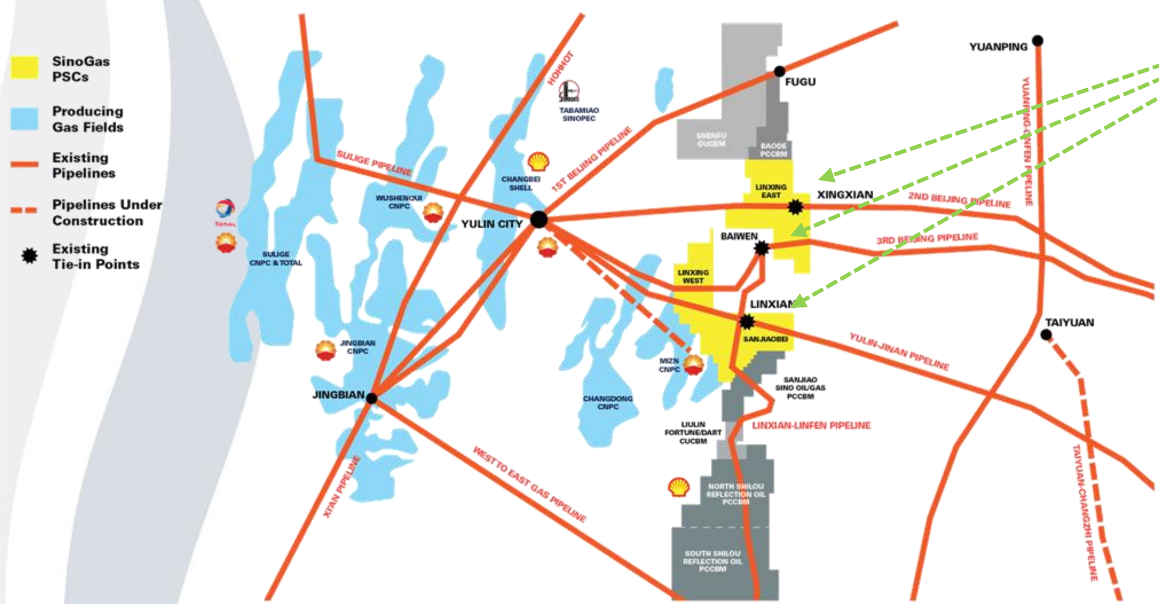
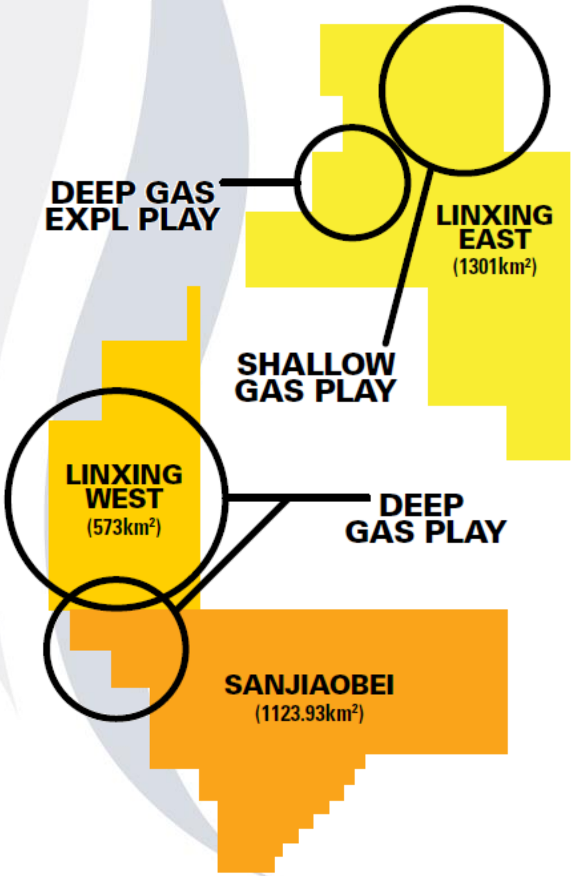



Multiple gas pipelines with existing tie-in points providing market access for Sino Gas' pipeline quality gas

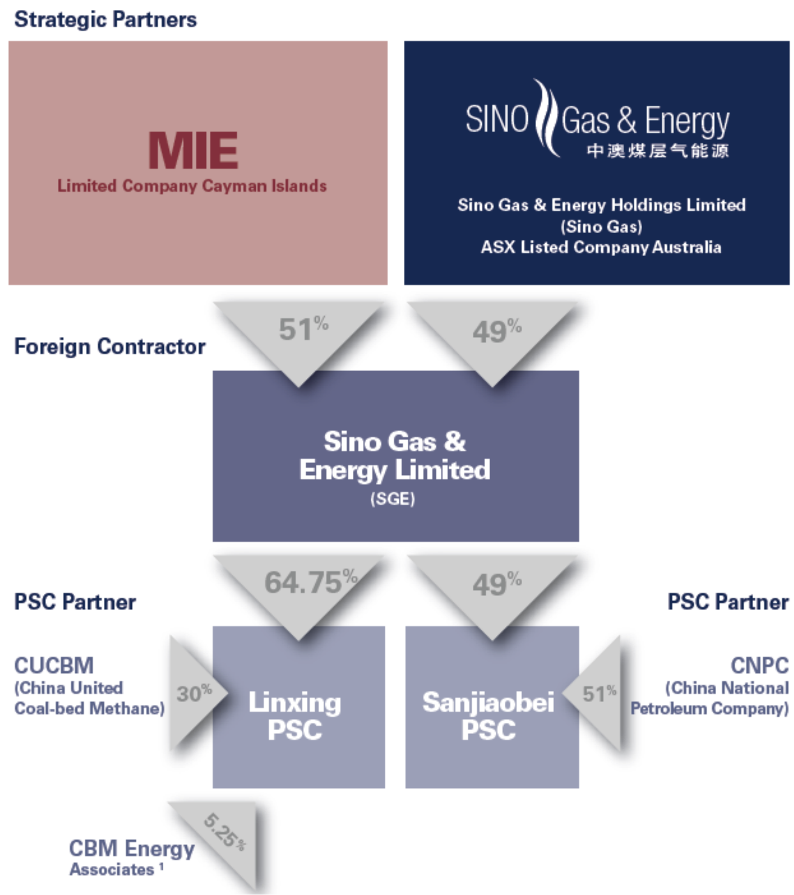
- Key transcontinental gas transport hub
- Above ground infrastructure with ample spare capacity
- Existing and planned demand far exceeds supply
- Shanxi Province alone (population ~ 35 million) underpins supply

# 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*

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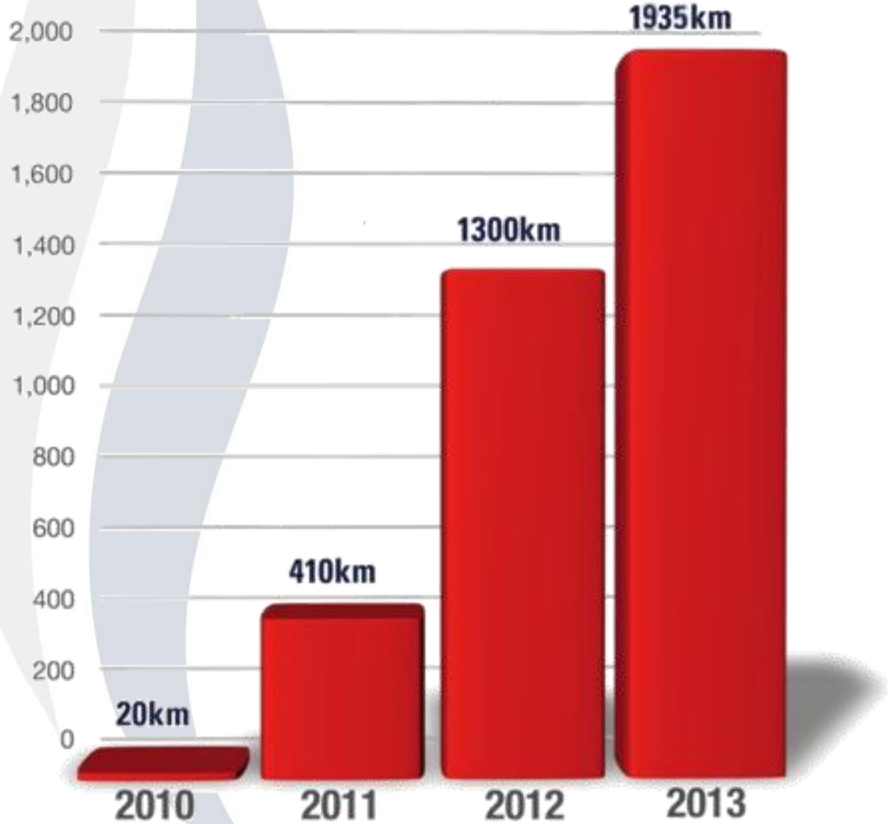
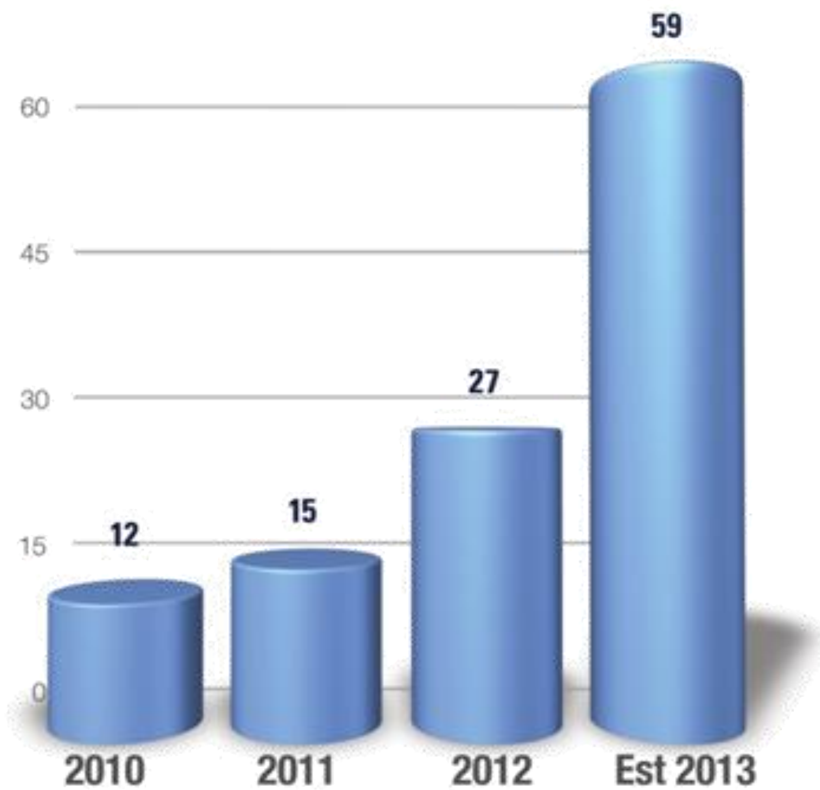
# "More wells scheduled to be drilled in 2013 than the past seven years combined"




Cumulative Seismic (km)




Cumulative Well Count

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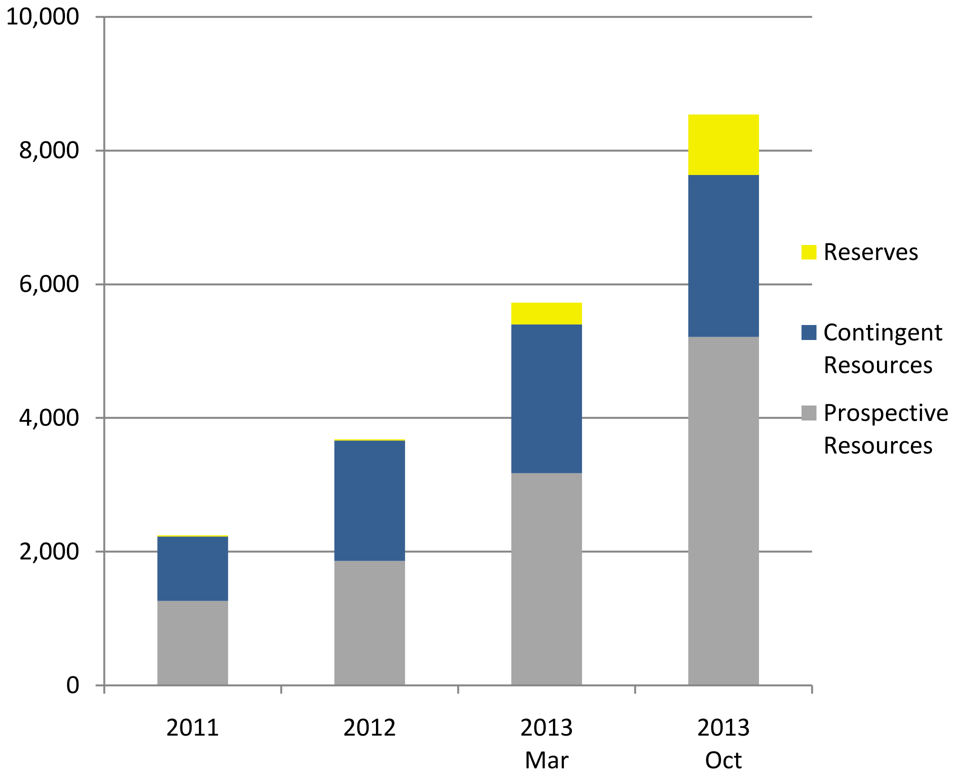
# Major Project Resource and Valuation Upgrades Continue

October 2013 independent mid-case assessment by RISC identified:

- 168% increase in Project 2P Reserves to 877 bcf, with Sino Gas' share at 233 bcf[1]
- Project 100% Contingent Resources increased 10% to 2.5 tcf, with Sino Gas' share increasing to 713 bcf[1]
- Project 100% Prospective Resources increased 64% to 5.2 tcf, with Sino Gas' share increasing to 1.3 tcf[1]
- Sino Gas' share of project EMV has increased by a further 51% to US$2.34 billion[2]




Mid-case Project Reserves & Resources (Bcf)



1 –Refer to Resource Statements on slide 2 for full disclosure. 2 – EMV is based on $NPV_{10}$ with a mid-case gas price of US$8.79/Mscf and lifting costs (opex+capex) of ~US$1.3/Mscf for mid-case for mid-case Reserves, Contingent & Prospective Resources.

# Exceptional Returns
# WITH FURTHER UPSIDE POTENTIAL

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**RISC Independent Economic Evaluation**

**$US 2.35 billion[1]**

Expected Monetary Value (EMV) announced 17 October 2013

**Project IRR ~ 65 to 86%[1]**

mid-case across both PSCs[2]

**~ 990 MMscf/day modeled steady state production**

for 100% Reserves, Contingent + Prospective Resources across both PSCs

**Project Economic assumptions**

- EUR Per Well ~2 Bcf
- Well Head Gas Price US$8.79 /Mscf
- Average Cost Per Well ~ US$2.1m
- P50 Capex Lifting Cost ~US0.70/Mscf
- P50 Opex Lifting Cost ~US$0.60/Mscf

## Further upside still remains

- Pad Drilling
- Horizontal Wells
- Underexplored Acreage



*1 –Refer to Resource Statements on slide 2 for full disclosure. Evaluation based on $NPV_{10}$ with a mid-case gas price of US$8.79/Mscf and lifting costs (opex+capex) of ~US$1.3/Mscf for mid-case Reserves, Contingent & Prospective Resources.*

# 2013-2014 – Delivering the Plan

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- ☑ 2013 Drilling Program – 29 wells completed - On track to complete program by YE’13
- ☑ 2013 Seismic Program – 1,235km of new seismic lines acquired and interpreted
- ☑ 24 well testing program – Testing 20 wells underway - On track to complete by YE’13
- ☑ Gas Sales Agreement signed on Linxing – June 2013
- ☑ Submission of first Chinese Reserve Report (CRR) on the Linxing PSC – August 2013
- ☑ First horizontal well for Sino Gas drilled to total depth in October – testing Q4 2013
- ❑ Negotiation of 2nd pipeline gas sales agreement underway
- ❑ Aggressive new well program with plans of ramping up over the next 3 years - majority of wells anticipated to be hooked up directly into the pilot production program as completed
- ❑ Further seismic to complete required grid lines for CRR submissions
- ❑ First pilot production scheduled Q4 2013 – increasing across both PSCs throughout 2014
- ❑ Additional CRR submissions expected in first-half 2014

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