



Sino Gas & Energy Holdings Limited

ACN 124 242 422

Notice of Meeting and Explanatory Statement

General Meeting to be held at:

Time: 9.00am (Perth time)

Date: 30 December 2013

Place: Rydges Hotel
815 Hay Street
Perth, Western Australia

**This is an important document and should be read in its entirety. Please read it carefully.
A Proxy Form is enclosed within this Notice of General Meeting and Explanatory Statement.**

If you are unable to attend the General Meeting, please complete the Proxy Form enclosed and return it in accordance with the instructions set out on that form. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor and/or other professional adviser without delay.



SINO GAS & ENERGY HOLDINGS LIMITED
ACN 124 242 422

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders of Sino Gas & Energy Holdings Limited will be held at the Rydges Hotel, 815 Hay Street, Perth, Western Australia on Monday, 30 December 2013 commencing at 9.00am (Perth time).

Agenda

Ordinary Business

1. Ratification of Issue of Tranche 1 Shares

To consider and, if thought fit, pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the allotment and issue of 189,561,400 fully paid ordinary shares at an issue price of 20 cents per share to the Tranche 1 Recipients, on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting, be ratified."

Voting Exclusion: The Company will disregard any votes cast on Resolution 1 by the Tranche 1 Recipients and any associate of such person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. Approval for Issue of Tranche 2 Shares

To consider and, if thought fit, pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval be and is hereby given for the issue and allotment of 75,438,600 fully paid ordinary shares at 20 cents per share to the Tranche 2 Recipients as set out in the Explanatory Statement accompanying this Notice of General Meeting."

Voting Exclusion: The Company will disregard any votes cast on Resolution 2 by the Tranche 2 Recipients, any associate of the Tranche 2 Recipients and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares in the Company, if Resolution 2 is passed, and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Other Business

To consider any other business that may be brought before the Meeting in accordance with the Company's Constitution.

Explanatory Statement

Shareholders are referred to the Explanatory Statement accompanying and forming part of this Notice of General Meeting.

NOTICE OF MEETING

Snap Shot Time

Regulation 7.11.37 of the Corporations Regulations 2001 permits the Company to specify a time, not more than 48 hours before the Meeting, at which a "snap shot" of Shareholders will be taken for the purposes of determining Shareholders' entitlements to vote at the Meeting.

The Directors have determined that all Shares of the Company on the register as at 4.00pm (Perth time) on 28 December 2013 shall, for the purposes of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the Shares at that time.

Proxies

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form for the Meeting provides further details on appointing proxies and lodging the Proxy Form. Proxies must be returned by 9.00am (Perth time) on 28 December 2013.

Corporate Representative

If a representative of a Shareholder corporation is to attend the Meeting, a "Corporate Representative Certificate" should be completed and produced prior to the meeting. Please contact the Company's Share Registry for a pro forma certificate if required.

By Order of the Board of Directors
Sino Gas & Energy Holdings Limited



Harry Spindler
Company Secretary
Dated 27 November 2013

EXPLANATORY STATEMENT

Purpose of this Document

This Explanatory Statement has been prepared to assist Shareholders with their consideration of the Resolutions in the accompanying Notice of General Meeting.

1. Background

On 27 November 2013 the Company announced that it had agreed to raise approximately \$53 million through an offer of fully paid ordinary shares in the Company by way of a private placement in Australia and other agreed jurisdictions (**Placement**). The Company appointed Argonaut and Euroz to act as joint lead managers to the Placement.

The Placement is to be conducted in two tranches. The first tranche will raise \$37,912,280 (before costs), and will be comprised of 189,561,400 Shares at an issue price of 20 cents per Share. It is anticipated that the Tranche 1 Shares will be issued on or about 3 December 2013. The Tranche 1 Shares will, or have been, issued to the Tranche 1 Recipients under the Company's existing 15% placement capacity prior to the date of the Meeting and as such, are not subject to Shareholder's prior approval under Listing Rule 7.1. Resolution 1 seeks Shareholder approval under Listing Rule 7.4 to ratify the issue of the Tranche 1 Shares. Shareholder ratification will enable the Company to issue Shares in the future under its 15% placement capacity without the need to seek prior Shareholder approval.

The second tranche will raise a further \$15,087,720 (before costs) and will be comprised of 75,438,600 Shares at an issue price of 20 cents per Share. The issue of the Tranche 2 Shares to the Tranche 2 Recipients requires Shareholder approval pursuant to Listing Rule 7.1 and is the subject of Resolution 2. If the issue of the Tranche 2 Shares is approved by Shareholders, it is anticipated that the Tranche 2 Shares will settle on 31 December 2013 and be issued to the Tranche 2 Recipients on 2 January 2014.

2. Resolution 1 – Ratification of Issue of Tranche 1 Shares

2.1 Background

Resolution 1 is an ordinary resolution and proposes to ratify the issue of the Tranche 1 Shares. The Tranche 1 Shares will be, or have been, issued to the Tranche 1 Recipients on or about 3 December 2013 pursuant to the Placement. Further details in relation to the Placement are set out in Section 1 above.

2.2 ASX Listing Rules 7.1 and 7.4

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies a previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Ratification by the Shareholders of the Company is now sought pursuant to ASX Listing Rule 7.4 in order to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without Shareholder approval.

The effect of this Resolution 1 is that the Company, for the purposes of Listing Rule 7.1 will be able to refresh its 15% placement capacity with effect from the date of the General Meeting.

2.3 Technical Information required by Listing Rule 7.5

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders in relation to the Shares the subject of Resolution 1:

- (a) the total number of Shares to be issued, or which have been issued, by the Company on or about 3 December 2013 is 189,561,400;
- (b) the issue price of each Share is 20 cents;
- (c) the Tranche 1 Shares will, or have been, issued on the same terms as, and will rank equally with, all fully paid ordinary shares in the Company on issue;
- (d) the Tranche 1 Shares will be allotted to the Tranche 1 Recipients, being clients of Argonaut and Euroz who are sophisticated and professional investors;
- (e) no Tranche 1 Recipient is a related party of the Company;
- (f) the funds raised from the issue of the shares will be utilised by the Company to provide funding for the Company's forward programme of seismic, drilling and development on its PSC interests and for working capital purposes; and
- (g) a voting exclusion statement is included in the Notice of Meeting.

The Directors recommend that Shareholders vote in favour of Resolution 1.

3. Resolution 2: Approval for Issue of Tranche 2 Shares

3.1 General

Resolution 2 is an ordinary resolution and seeks Shareholder approval to the issue of the Tranche 2 Shares, pursuant to the Placement. Further details in relation to the Placement are set out in Section 1 above.

3.2 Listing Rule 7.1

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) the prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Directors to issue the Tranche 2 Shares to the Tranche 2 Recipients, notwithstanding that the Company has already utilised the Company's 15% annual placement capacity under Listing Rule 7.1 (including through the issue of the Tranche 1 Shares).

3.3 Technical Information required by Listing Rule 7.3

Listing Rule 7.3 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.1:

- (a) the total number of Shares to be issued by the Company will be 75,438,600;
- (b) the issue price of each Share is 20 cents;
- (c) the Shares are anticipated to be allotted and issued on 2 January 2014 and, in any event, no later than 3 months after the date of the Meeting;
- (d) the allotment of the Tranche 2 Shares is expected to occur on one date and not progressively;
- (e) the Tranche 2 Shares will be issued on the same terms as, and will rank equally with, all fully paid ordinary shares in the Company on issue;
- (f) the Shares will be allotted to the Tranche 2 Recipients, being clients of Argonaut and Euroz who are sophisticated and professional investors;
- (g) no Tranche 2 Recipient will be a related party of the Company;

- (h) the funds raised from the issue of the shares will be utilised by the Company to provide funding for the Company's forward programme of seismic, drilling and development on its PSC interests and for working capital purposes; and
- (i) a voting exclusion statement is included in the Notice of Meeting.

The Directors recommend that Shareholders vote in favour of Resolution 2.

4. Glossary

In this Explanatory Statement, the following terms have the following meanings unless the context otherwise requires:

Argonaut means Argonaut Securities.

ASX means ASX Limited or the Australian Securities Exchange, as the context requires.

Company means Sino Gas & Energy Holdings Limited ACN 124 242 422.

Constitution means the Constitution of the Company.

Director means a Director of the Company.

Euroz means Euroz Securities Limited.

Explanatory Statement means this explanatory statement accompanying the Notice of Meeting.

Meeting or **General Meeting** means the General Meeting of the Company to be held at 9.00am (Perth time) on 30 December 2013.

Notice or **Notice of Meeting** means the notice of meeting accompanying this Explanatory Statement.

Perth time means the time in Perth, Western Australia.

Placement has the meaning set out in Section 1.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Tranche 1 Shares means 189,561,400 Shares at an issue price of 20 cents each, issued to the Tranche 1 Recipients.

Tranche 2 Shares means 75,438,600 Shares at an issue price of 20 cents each, to be issued to the Tranche 2 Recipients.

Tranche 1 Recipients means the recipients of the Tranche 1 Shares, being clients of Argonaut and Euroz who are sophisticated and professional investors.

Tranche 2 Recipients means the recipients of the Tranche 2 Shares, being clients of Argonaut and Euroz who are sophisticated and professional investors

\$ means Australian dollars.



By mail:

Sino Gas & Energy Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: +61 1300 554 474

SHAREHOLDER PROXY FORM

I/We being a member(s) of Sino Gas & Energy Holdings Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

☐

**the Chairman
of the Meeting
(mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the General Meeting of the Company to be held at **9:00am (Perth time) on Monday, 30 December 2013**, at Rydges Hotel, 815 Hay Street, Perth, Western Australia and at any adjournment or postponement of the meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒.

STEP 2

VOTING DIRECTIONS

Resolution 1

Ratification of Issue of Tranche 1 Shares

For ☐

Against ☐

Abstain* ☐

Resolution 2

Approval for Issue of Tranche 2 Shares

☐
☐
☐

i * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

SEH PRX301



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **9:00am (Perth time) on Saturday, 28 December 2013**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE  www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



by mail:

Sino Gas & Energy Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

**If you would like to attend and vote at the General Meeting, please bring this form with you.
This will assist in registering your attendance.**