

Euroz Rottnest Island Conference March 2014



“Size, Scalability, Market and Pricing”

Disclaimer

Certain statements included in this release constitute forward looking information. This information is based upon a number of estimates and assumptions made on a reasonable basis by the Company in light of its experience, current conditions and expectations of future developments, as well as other factors that the Company believes 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 including, but not limited to, the cash flow projections detailed in slide 16. 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 release 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.

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This presentation should be read in conjunction with the Annual Financial Report as at 31 December 2012, the half year financial statements together with any ASX announcements made by the Company in accordance with its continuous disclosure obligations arising under the *Corporations Act 2001 (Cth)*.

Resource Statement



Sino Gas & Energy Holdings Limited (ASX:SEH, "Sino Gas", "the Company") 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.

The statements of resources in this release have been independently determined to Society of Petroleum Engineers (SPE) Petroleum Resource Management Systems (PRMS) standards by internationally recognized oil and gas consultants RISC (announced 4 March 2014) using probabilistic estimation methods. 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 NPV10 is based on a mid-case wellhead gas price of \$US8.79/Mscf and lifting costs (opex+capex) of ~ US\$1.5/Mscf for mid-case Reserves, Contingent & Prospective Resources. All resource figures quoted are unrisks 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. Reserves & Resources are net of 4% in-field fuel for field compression and field operations. Reference point is defined to be at the field gate. No material changes have occurred in the assumptions and subsequent work program exploration and appraisal results have been in line with expectations.

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 consents to the inclusion of this information in this release.

RISC is an independent advisory firm that evaluates resources and projects in the oil and gas industry. RISC offers the highest level of technical, commercial and strategic advice to clients around the world. RISC services include the preparation of independent reports for listed companies in accordance with regulatory requirements. RISC is independent with respect to Sino Gas in accordance with the Valmin Code, ASX listing rules and ASIC requirements.

Reserves & Resource Upgrades

RISC's independent mid-case assessment up to 31 December 2013 identified:

- ≈ 227% increase in Gross Project 2P Reserves to 1,068 bcf, with Sino Gas' share at 291 bcf¹
- ≈ Gross Project Contingent Resources increased 32% to 2.9 tcf, with Sino Gas' share increasing to 850 bcf¹
- ≈ Gross Project Prospective Resources increased 25% to 4.0 tcf, with Sino Gas' share increasing to 1.0 tcf¹
- ≈ Sino Gas' share of project EMV has increased by a further 45% to US\$2.3 billion²

Sino Gas' Attributable Net Reserves & Resources are summarised below:

Sino Gas' Attributable Net Reserves & Resources ¹	1P RESERVES (Bcf)	2P RESERVES (Bcf)	3P RESERVES (Bcf)	2C CONTINGENT RESOURCES ³ (Bcf)	P50 PROSPECTIVE RESOURCES ³ (Bcf)	EMV ₁₀ ² (\$USm)
March 2014 (Announced 4 March 2014)	129	291	480	850	1,023	2,258
March 2013 (Announced 20 March 2013)	32	94	199	653	885	1,556
TOTAL 2013 CHANGE (+/-)%	+211% (2P Reserves)			+30%	+16%	+45%
Total Project March 2014	466	1,068	1,786	2,941	3,978	N/A

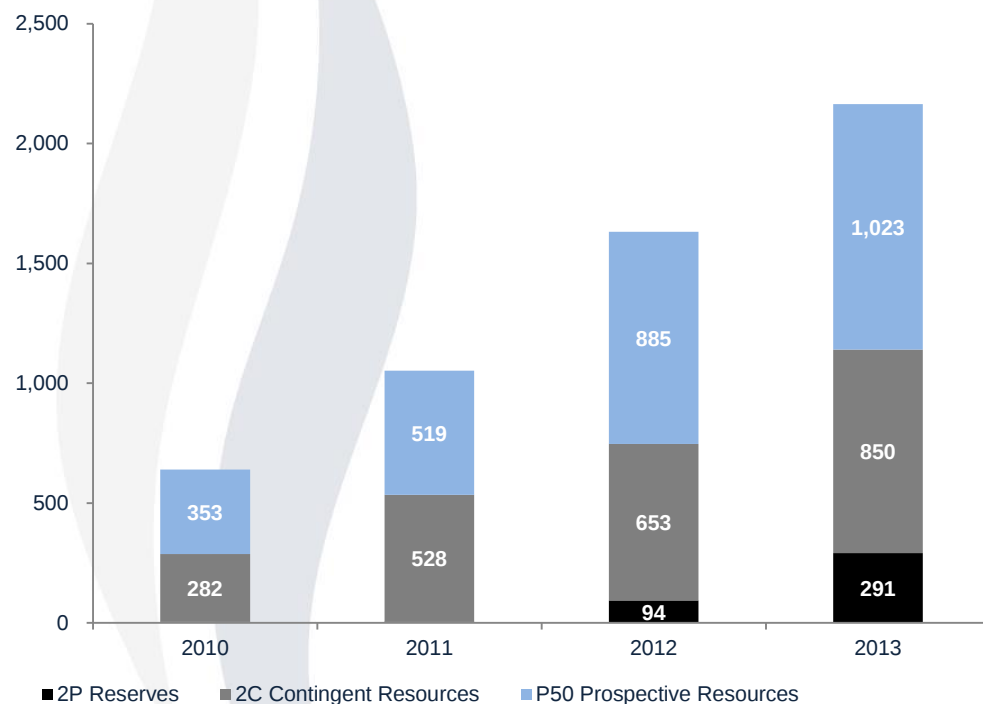
Note 3: Contingent and Prospective Resources have not been risked for the risk of development and discovery. The estimated quantities of petroleum may potentially be recovered by the application of future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Sino Gas' share of the project's success case Net Present Value (NPV) and risk weighted EMV are summarised below:

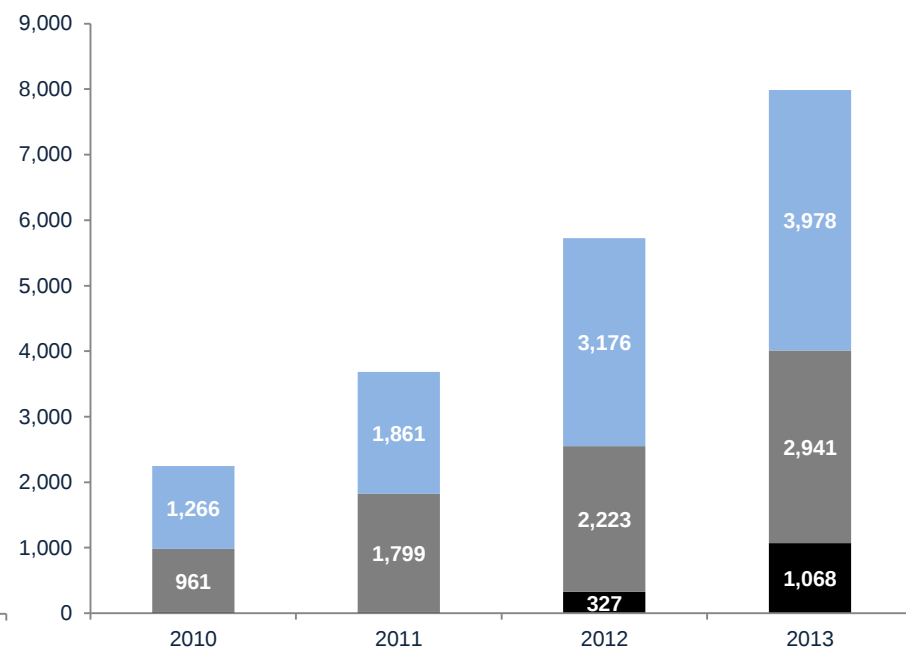
SINO GAS' ATTRIBUTABLE ECONOMIC VALUE ²	NPV ₁₀ (\$USm)	EMV ₁₀ ² (\$USm)
Reserves	625	653
Contingent Resources	828	754
Prospective Resources	1,350	851
TOTAL	2,258	

Reserve & Resource Upgrades

Sino Gas' Net Reserves & Resources Growth (Bcf)¹



Gross Project Reserves & Resources Growth (Bcf)¹



2014 Drilling Program

Reserves Assigned to Exploration Wells

The red areas on the plot show the reserves that could be assigned to the wells planned for 2014 depending on drilling results

Potential Area Covered by Planned Wells

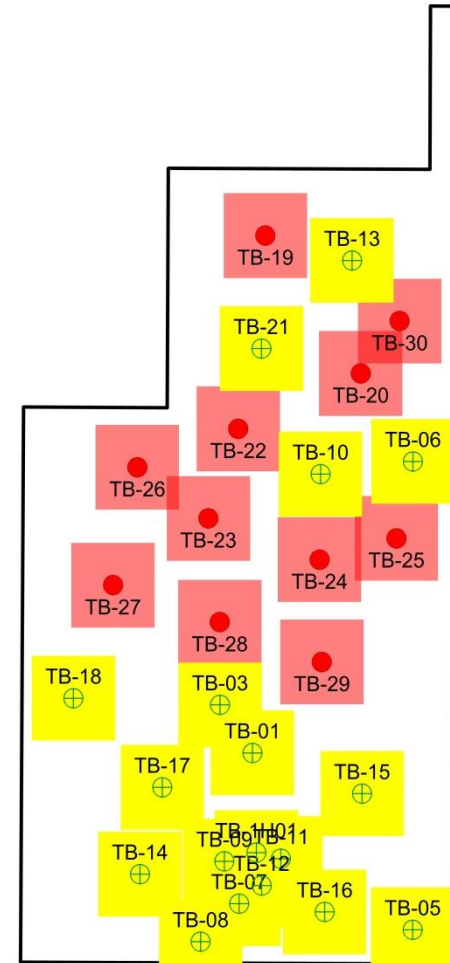
The area covered by the 11 exploration wells and planned pilot production area is an additional ~140 km²

Overlap areas

Where the areas overlap reserves are assigned only for the newly covered area

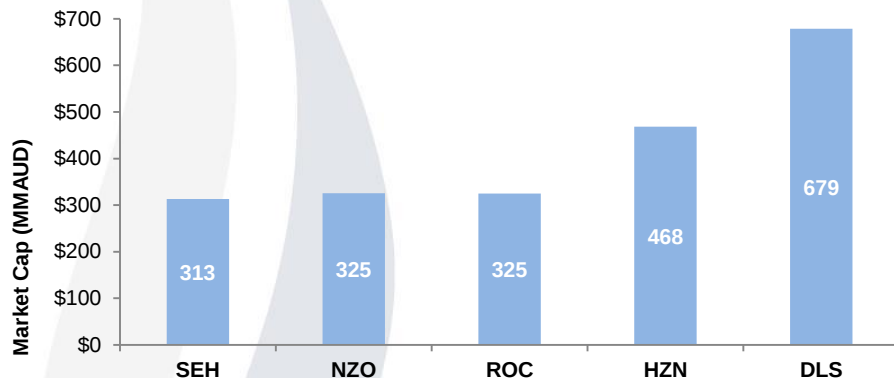
Pilot Production Drilling

Pilot production drilling is planned in an area with assigned reserves so limited reserves additions anticipated from these 35 new wells

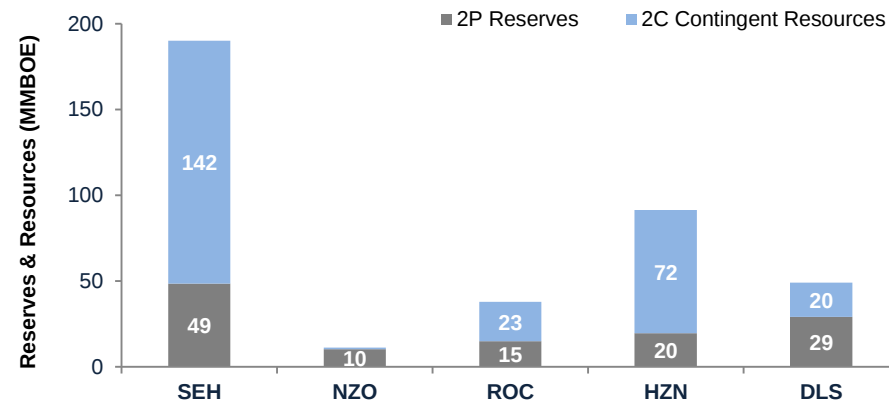


SEH Benchmarks – Closing Value Gap

Market Cap (MMAUD) as of 27 February 2013



Net Mid-Reserves & Resources¹

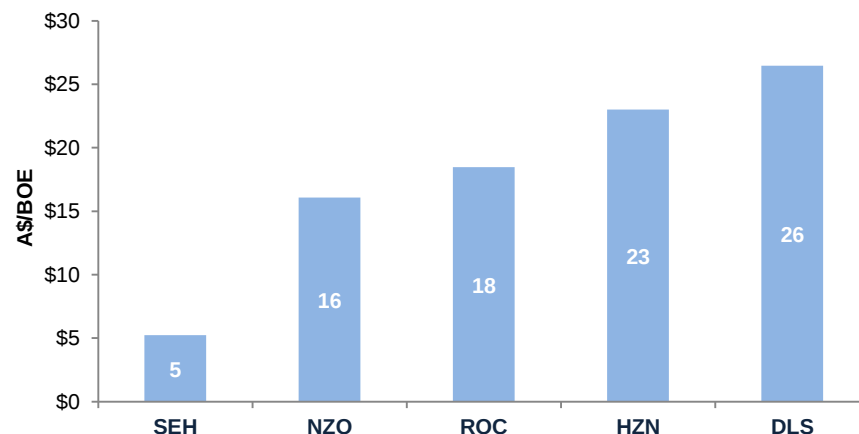


Recent Asset Transactions

Date	Value (\$MM)	\$/Daily BOE	\$/2P BOE	Asset
21-Nov-12	\$45	\$50,676	\$18.26	MIE acquires Dagang PSC from Ivanoe
19-Dec-12	\$308	\$26,399	\$8.48	BP divests 34.3% interest in Yacheng field to Kufpec
15-Jul-13	\$21		\$17.22	Hong Kong HuiHua Global Tech acquires CBM Liulin
Average		\$38,538	\$14.65	

Based on 291 bcf 2P reserves SEH would be valued at US\$710 MM

Enterprise Value / 2P Reserves²



Ordos Basin – PSC Overview

Size & Scale

Sino Gas' PSCs are approximately 3,000km² or 741,000 acres

Exploration Upside

Substantial acreage yet to be explored (~30% remaining)

Geology

Gas sourced from deep coal – redeposited to ~2,000m, with gas migration to adjacent sands

Stacked Multiple Pay-Zones

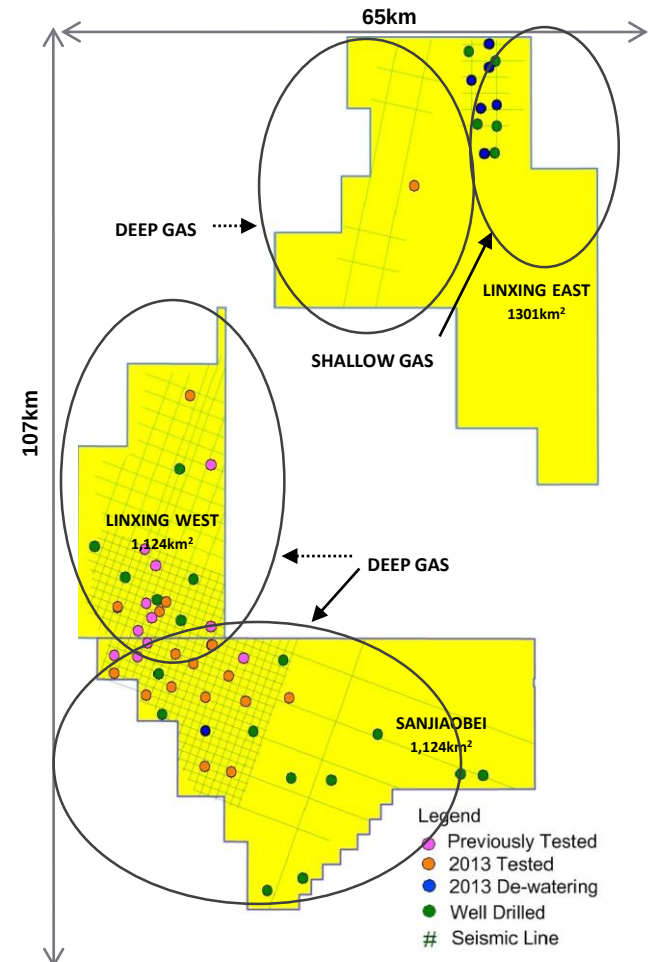
River channel depositional environment, up to 16 pay-zones per well evidenced

Prolific Production

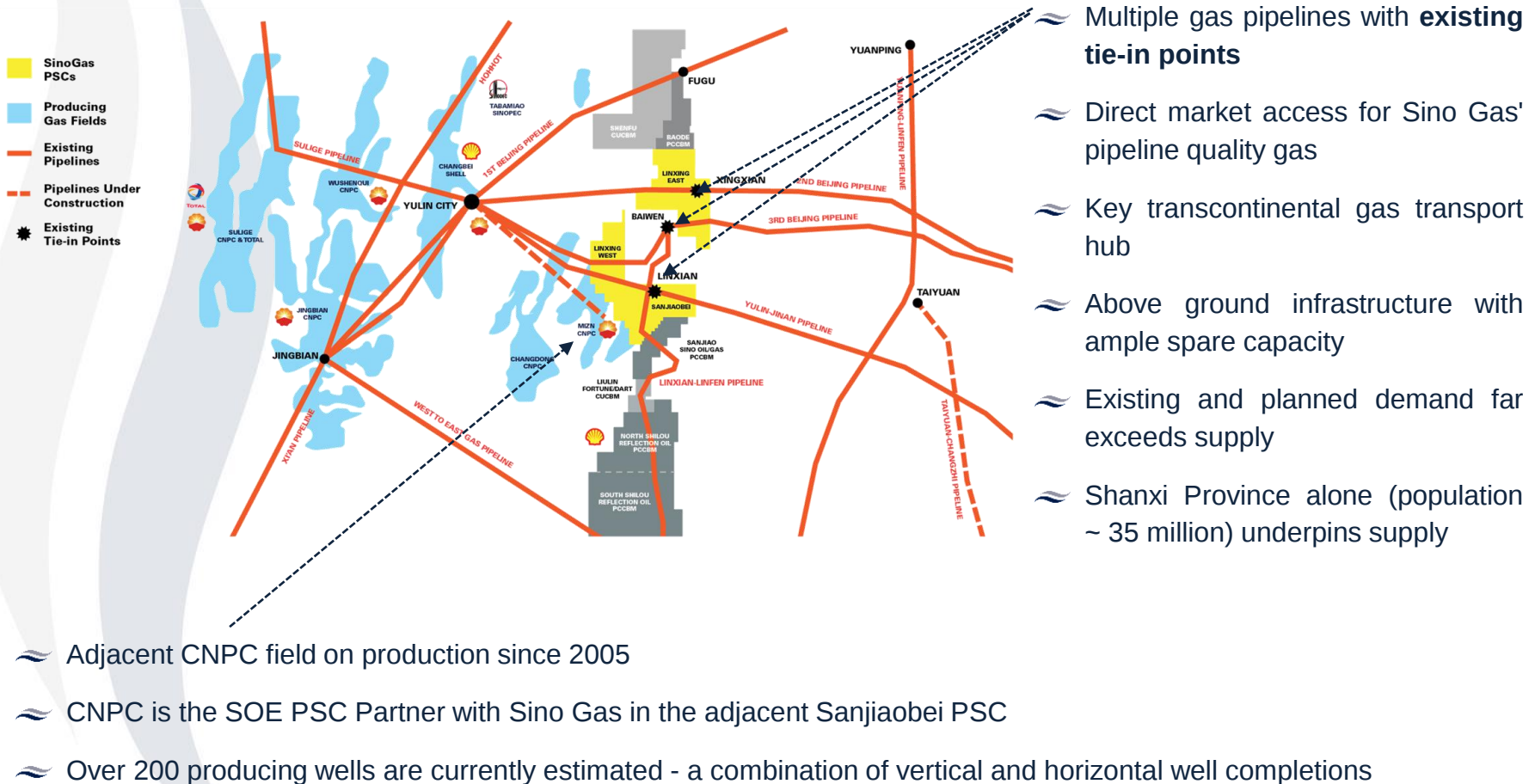
Ordos Basin has been on large-scale oil & gas production since the 1980s (e.g. Sulige field has an annual production capacity of ~475 billion cubic feet, meanwhile Changqing field produced 745 billion cubic feet of natural gas in 2010).

Commercialisation

Sino Gas is well advanced and on track to commence pilot pipeline production and sales in 2014



Existing Infrastructure & Market



Delivering Against Our Strategy

	≤ 2012	2013	2014	2015+
Corporate Focus	Securing funding Delineating acreage	Proving up resources	Bringing on Pilot Production	Develop Full Field
# Wells Drilled	27	31	50-60	100+ / year
2P Reserves / 2C Resource (Net)¹	0 / 528 bcf	94 / 653 bcf	291 / 850 bcf	
Funding	US\$10 mm cash + US\$90 mm carry MIE	A\$53 mm equity issue	Funding secured	RBL / Internal Cash
Sales	N/A	First GSA signed CNG sales near YE	Pilot Pipeline gas sales mid-year	Ramp-up Production
Net Independent EMV²	US\$664 mm	US\$1,556 mm	US\$2,258 mm	

2013 Highlights – Executing the Plan

≈ Drilling Program Completed

31 wells drilled in 2013: 19 on Sanjiaobei PSC / 12 on Linxing PSC (incl. first horizontal well)

≈ Well Testing

20 wells and multiple zones tested in 2013 confirming economic gas flow rates

≈ Reserves & Resources

A growing reserve and resource base (Gross Project 2P Reserves at 1,068 bcf¹) in one of the world's largest gas basins

≈ Chinese Reserve Report (CRR) Linxing (East) Submitted

Linxing (East) CRR submitted to MOLAR for final approval

≈ First Gas Sales

Supplementary Gas Sales Agreement (GSA) signed in October 2013 for Linxing CNG with first sale of pilot gas December 21, 2013

≈ Central Gathering Stations

Major components delivered and on location for hook-up and commissioning in 2014

≈ Funding Secured

Successful equity placement raised A\$53 Million

≈ Upside Remaining

Horizontal well development and substantial acreage yet to be explored

2013 Highlights – Extensive Well Test Results

≈ Extended Testing

Zones were tested for an average of 41 days - ranging up to 102 days

≈ Pilot Production Planning

The extensive testing increases confidence in the pilot production drilling and development program. RISC's minimum commercial threshold is 110 thousand standard cubic feet per day (Mscf/d)

Zone	Average Thickness (m)	No. of Well Test	Average Flow Rate (Mscf/d)	Max Flow Rate (Mscf/d)	Average Days on Test
Upper Zone	3.9	9	863	2,901	63
Mid-Upper Zone	7.4	8	338	969	29
Middle Zone	6.5	9	192	708	28
Mid-Lower Zone	6.4	4	128	230	51
Lower Zone	4.0	1	126	126	34
Comingled Tests	N/A	4	208	542	40

2014 Work Plan – Pathway to Cashflow

≈ Aggressive 2014 Program

US\$137 million capital program aiming to nearly double the number of wells drilled on project to date and deliver first pilot pipeline gas sales

≈ Exploration

Seismic 285km in support of Linxing (West) CRR – data already collected and processing underway

Drill 14 wells to complete requirements for Linxing (West) and Sanjiaobei CRR. Testing up to 39 wells.

≈ Central Gathering Stations

Complete construction and commissioning of both facilities and intrafield pipelines to tie-in wells. Combination of existing wells and new drills will be tied into the facilities

≈ Pilot Pipeline Gas Sales on Both PSCs

Begin gas sales on both PSCs and ramp up production through drilling, completion and tie-in 45 additional wells planned. Potential for additional wells once the well design template is finalized

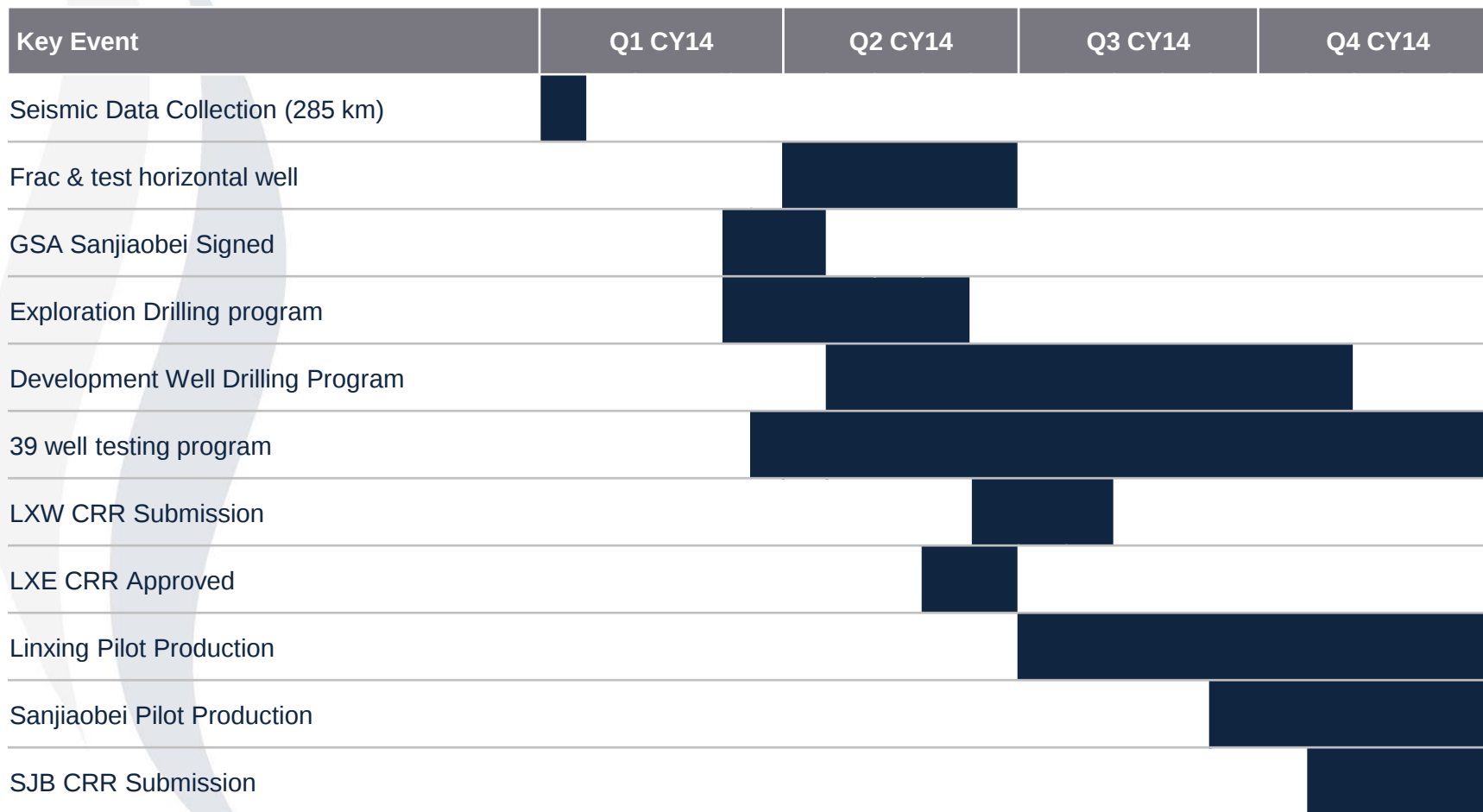
≈ Chinese Reserve Reports Submitted

CRR's to be submitted for approval and receive final approval on Linxing (East) CRR. First step in the two stage process of obtaining overall development plan approval (ODP)

≈ Gas Sales Contract - Sanjiaobei

Framework agreement signed in 2011, negotiation to finalize contract mid-year

2014 Work Plan – Forward Milestones



Q1 Slowdown - Lunar New Year & Winter

≈ Chinese New Year / Spring Festival

Traditionally the most important festival of the year with an annual reunion dinner on Chinese New Year's Eve

≈ Travel Within China

The largest mass human migration annually – 2014 saw an estimated 3.67 billion individual trips. Saturday Feb 15 saw 7.88 million rail trips on the railway network

≈ “Chunyun” – 40 day travel period (Jan 16 – Feb 24)

Special arrangements were made by railways, buses and airlines starting 15 days before New Year's Day



≈ Winter Weather

Shanxi Province experiences heavy snow and blizzards Jan-Feb limiting access to field

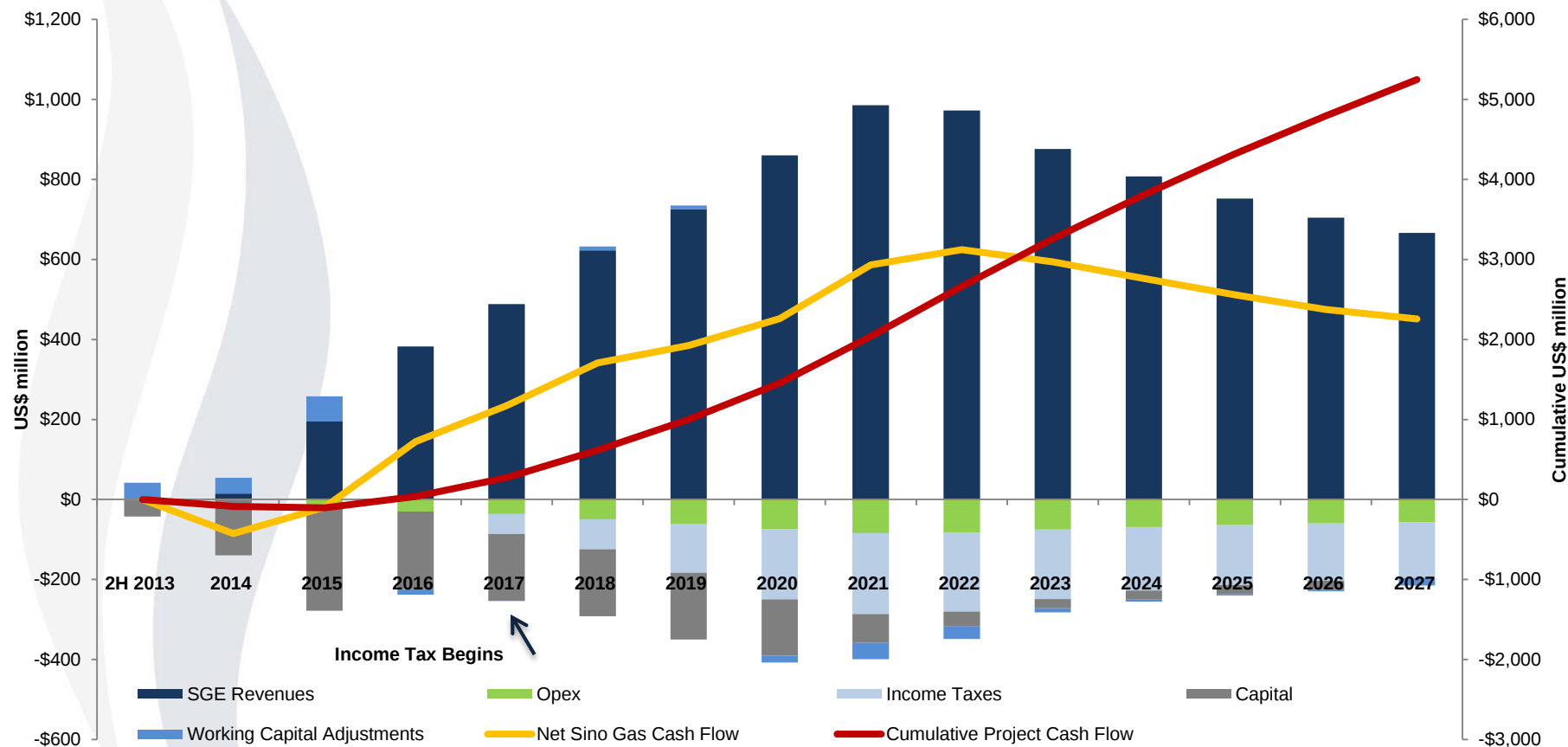
≈ Moving Equipment / People

Highways in several provinces have been closed as snow and ice make driving conditions hazardous

≈ Sino Prepared for 2014 Program

Seismic data collected in Dec/Jan before drilling program starts and eight rigs are positioned at their first well site. Rig shown at TB-27

Project Cash Flow Projection



Note: This cash flow projection is based on management's best estimates and assumptions made on a reasonable basis in light of the Company's experience, current conditions and expectations of future developments, as well as other factors that the Company believes are appropriate in the circumstances. No representation or warranty, express or implied, is made by the Company that the forecasts contained in this cash flow projection will be achieved or prove to be correct. The cash flow projection should be considered in conjunction with the Disclaimer contained on slide 2, the Resources Statements on slides 3-4 and the Company's independent reserves and resource assessments (latest announced 4 March 2014). This model has not been optimised for use of horizontal wells, pad drilling and unexplored acreage.

Investment Highlights



≈ Reserves & Resources

A growing reserve and resource base (Gross Project 2P Reserves at 1,068 bcf¹) in one of the world's largest gas basins

≈ Market Demand

Natural gas consumption in China planned to double by 2018

≈ Major JV Partners

Tier 1 partners and attractive PSC fiscal regime

≈ Equipment Availability

Competitive well and operating costs - US\$1.50/Mscf¹, extensive rig and service industry availability

≈ Infrastructure & Market

Infrastructure in place providing access to a large domestic market

≈ Sales Secured

CNG gas sales from pilot production Q4 2013; pilot pipeline gas sales mid-2014 from both PSCs

≈ Attractive Pricing

US\$7.00/Mscf under GSA for first year, expected to move in line with national pricing – circa US\$10+/Mscf

≈ Active Work Program

Aggressive forward plans - seismic, drilling, development

≈ Upside Remaining

Horizontal well development and substantial acreage yet to be explored

Company Snapshot

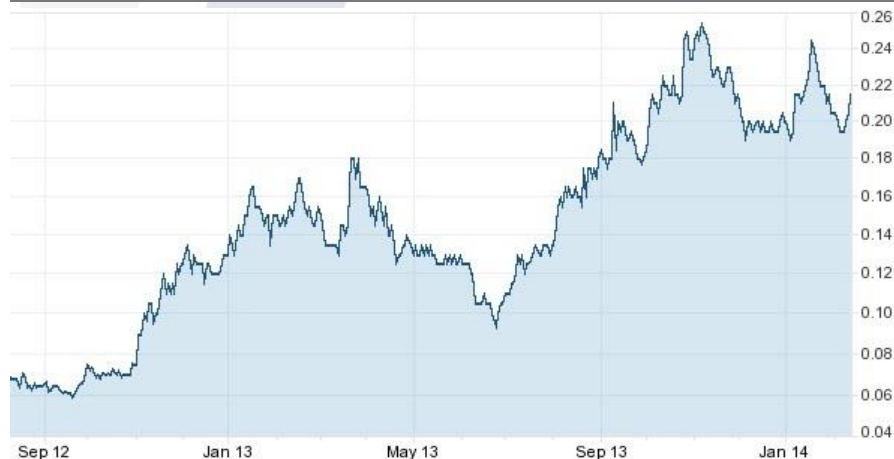


Corporate Information - as at 27 February 2014

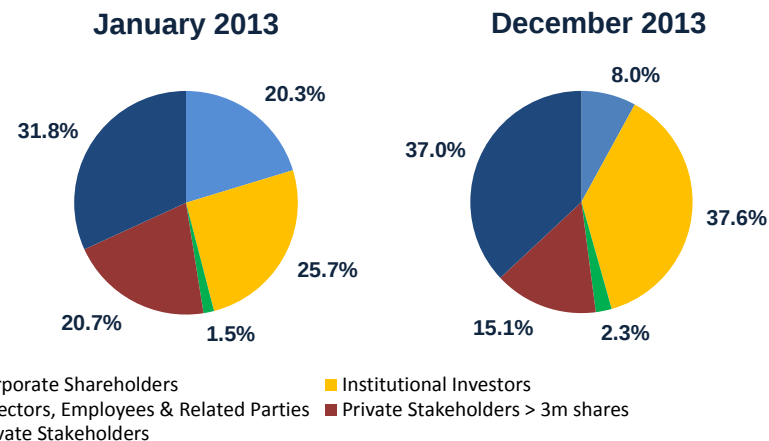
Share Price (ASX:SEH)	A\$0.20
Issued Shares	1,530m
Market Cap	A\$306.1m
Cash Balance (31 Dec 2013)	A\$64.3m

US\$90m of 2012/13 PSC work program expenditure being funded by MIE - approximately 51% cash called to 31 December 2013.

Share Price History & Key Events



Transitioning Share Register



Top Shareholders - YE CY13

	Shares (m)	%
FIL Investment Management	125.3	8.2%
Imdex Limited	121.9	8.0%
SH Lee Family Trust	61.7	4.0%
JP Morgan Chase & Co	54.9	3.6%
Kinetic Investment Partners	42.5	2.8%

For more information, please
contact:

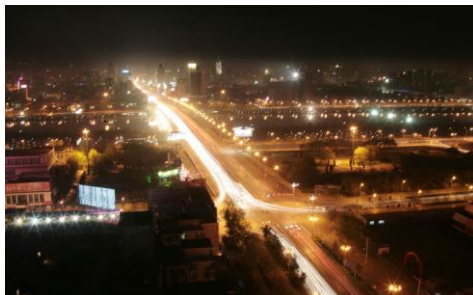
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Appendices

- A. Board and Management
- B. Unconventional Reserves Calculation Methodology
- C. Independent Economic Valuation
- D. Project and Company Growth
- E. Pathway to Cashflow
- F. The Right Place at the Right Time
- G. China Gas Pricing Reform
- H. Attractive Partners

Appendix A: Board and Management



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

Appendix B: Unconventional Reserves Calculation Methodology

≈ Reserves Assigned to Existing Wells

RISC assigns reserves to existing wells and the two adjacent well spacings within the discovered area

≈ Linxing (West) Reserves Cover 42% of discovered area

Reserves have been assigned to 173 km² of the 410 km² discovered area or 42% of the area

≈ Contingent

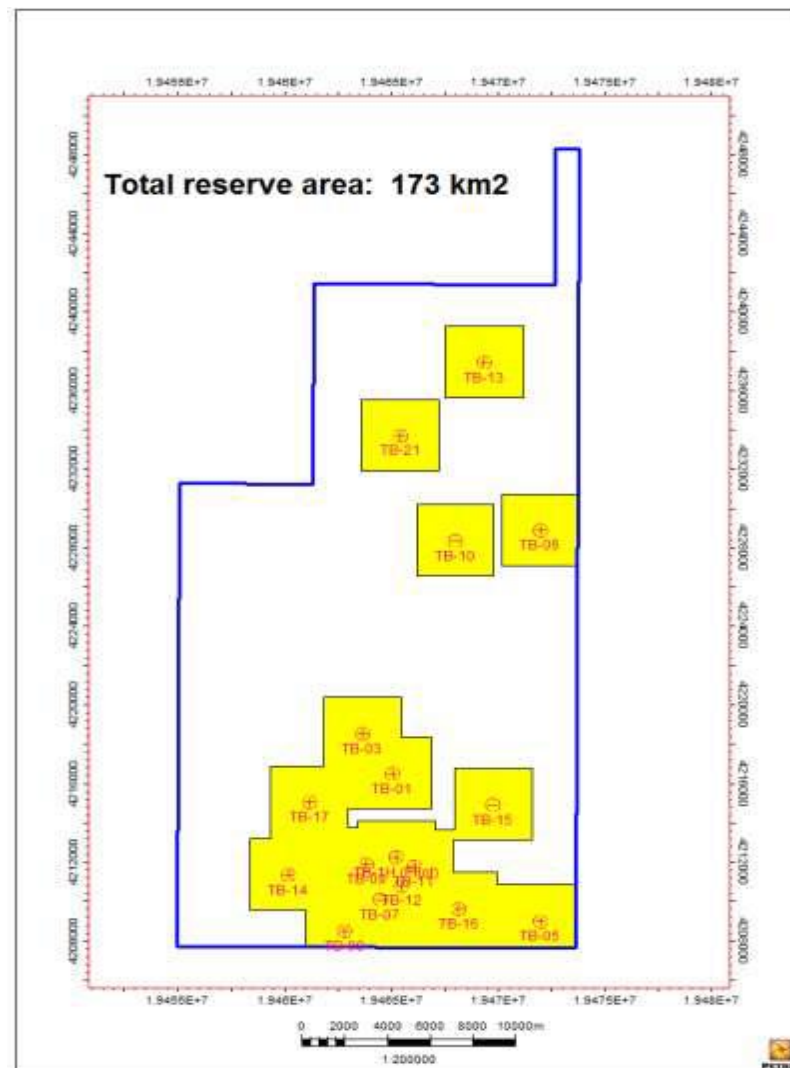
Remainder of the discovered area is classified as contingent until drilled

≈ Prospective

Remainder of the block outside the area declared discovered is classified as prospective

≈ Methodology Applies to both PSCs

The same methodology of reserves calculation applies to both Sanjiaobei and Linxing (East)



Appendix C: Independent Economic Evaluation

RISC Independent Economic Evaluation

US\$2.3 billion¹

Expected Monetary Value (EMV) announced 3 March 2014

Project IRR ~ 52 to 66%¹

mid-case across both PSCs²

~ 1 Tcf/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 Total Capex
~US\$0.80/Mscf

P50 Total Opex
~US\$0.70/Mscf

Further upside still remains

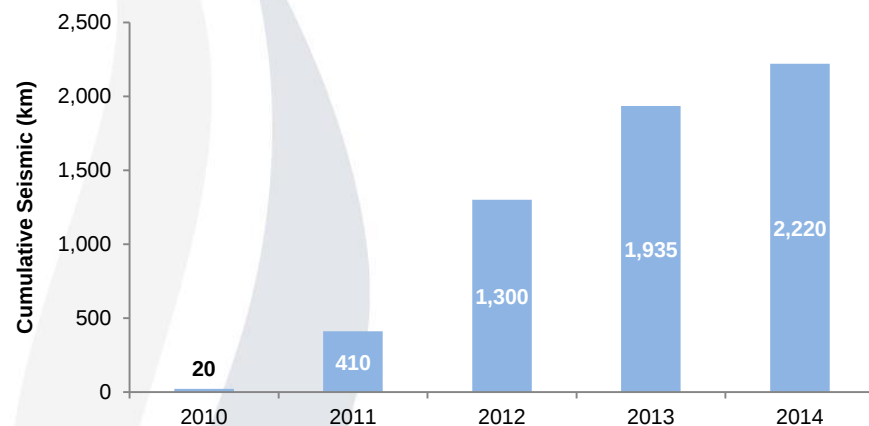
Pad Drilling

Horizontal Wells

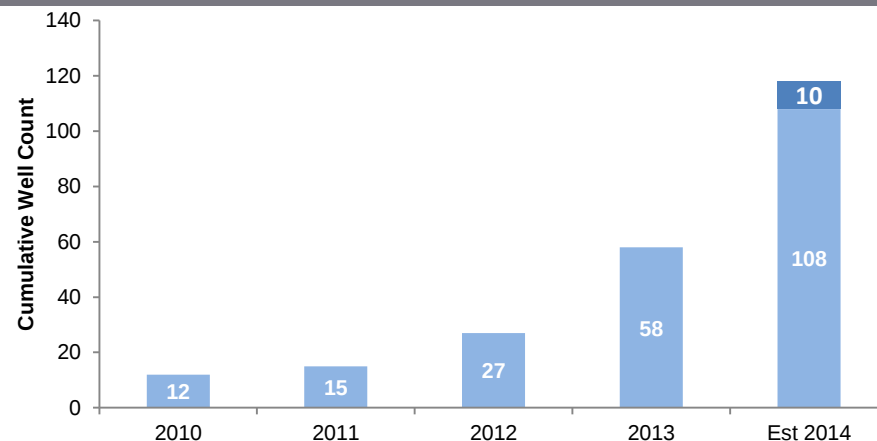
Underexplored Acreage

Appendix D: Project and Company Growth

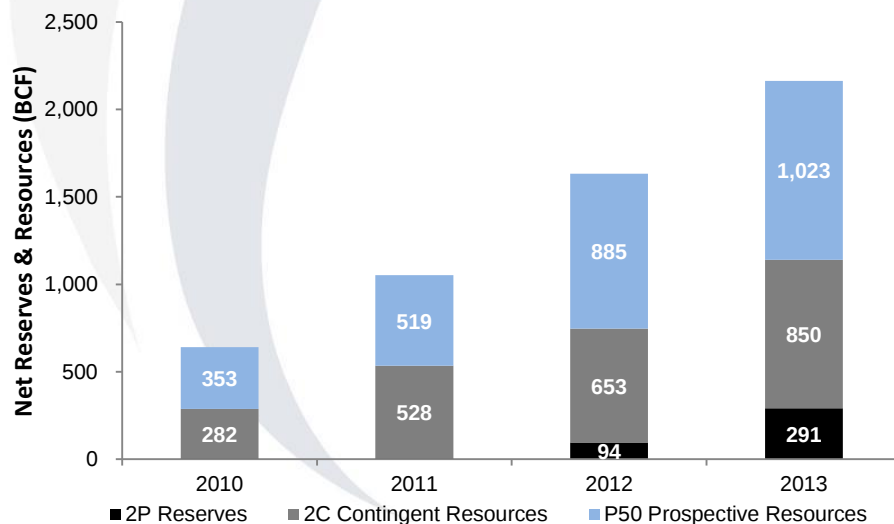
Cumulative Seismic (km)



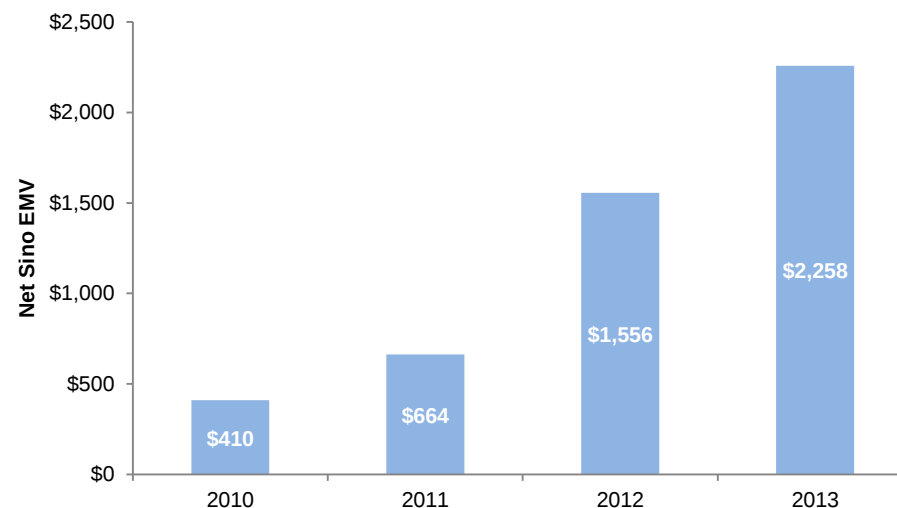
Cumulative Well Count



Sino Gas' Net Reserves & Resources Growth¹



Sino Gas' Net EMV²



Appendix E: Pathway to Cashflow

≈ Sino Gas' Pathway to Cashflow

- Work closely with partners in the development of the Ordos Basin's Reserves and the delivery of production into a number of GSAs

≈ Linxing West GSA - Signed June 2013

- Purchaser is a subsidiary of the Shanxi International Energy Group (SIEG)
- Delivering into the north/south running Linlin provincial pipeline
- Increasing up to 35MMscf/day after the first year (renegotiation to greater capacity possible)
- **US\$7/Mscf** for first year, adjusted annually for Shanxi Province market prices and applicable government policies
- Third-party pipeline construction expected completion Q2 2014

≈ Linxing West GSA (Supplementary) - October 2013

- Temporary Compressed Natural Gas off-take by SIEG until their third-party pipeline is complete
- Brings forward cash flow and commences monetisation of gas assets
- First CNG shipment 21 December 2013

≈ Sanjiaobei GSA - Pending

- Framework agreement signed in 2011
- Negotiations underway to formalise a GSA
- Delivering into the east/west running regional pipeline

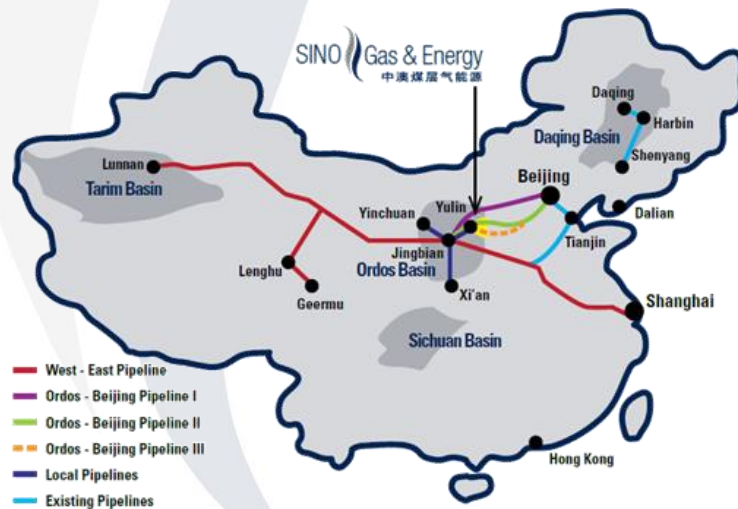
≈ Capital & Operating Expenditure

- Average vertical well costs **~US\$1.2 million** to drill, complete & test, reserve report estimates each well recovers ~2 bcf
- All in cost to drill & operate **~US\$1.50/mscf**

Appendix F: The Right Place at the Right Time

Ordos Basin

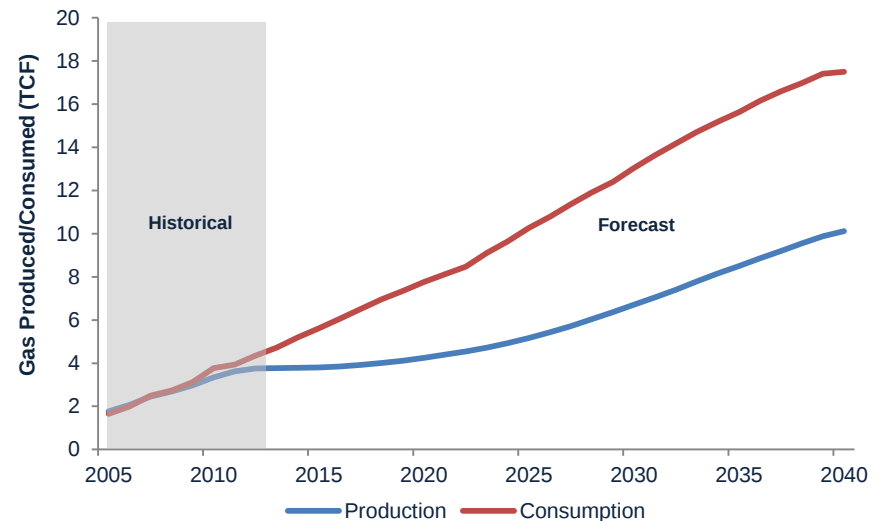
- ≈ Rated as one of the world's largest gas basins¹
- ≈ Operators include TOTAL, SHELL, CNPC & SINOPEC
- ≈ China's 12th Five Year Plan promotes natural gas over coal
- ≈ 12th Five Year Plan stipulates accelerated development of Ordos Basin gas – Linxing PSC specifically designated to be fast tracked



China's Growing Gas Demand

- ≈ Gas supply in China is serviced by domestic production
- ≈ Shortfall is supplemented by substantial imports of LNG and pipeline gas (2014 shortfall ~ 2 tcf²)
- ≈ Central government is promoting local gas production
- ≈ Government policy has set domestic gas pricing at ~US\$10/Mscf

Gas Supply Shortfall³



Appendix G: China Gas Pricing Reform

≈ Current Pricing

NDRC announced in July 2013, that city gate gas prices for non-residential users will increase by an average of 15% across the country to approximately ~US\$9/Mscf

≈ Pricing Reform

The National Development and Reform Commission (NDRC) published a new gas pricing mechanism in December 2011

≈ Pricing Formula

The pricing formula is ~90% of the weighted-average of imported fuel oil (60%) and imported LPG (40%) prices, with an adjustment for heating value and VAT

≈ Trials and Rollout

Currently being trialed in Guandong and Guangxi provinces resulting in reported prices of up to US\$14/Mscf, with further plans to roll-out nationally



Appendix H: Attractive Partners

MIE

- Strategic Partner MIE has a proven track record of successfully delivering PSCs through the Chinese regulatory approval system
- 400+ wells drilled per year in China for the last 2 years
- Operations in Kazakhstan, USA & China
- Successful execution of 3 ODP approvals in China

SGE

- Production Sharing Contract Operator partnered with major State Owned Enterprises (SOE) with extensive development delivery experience since 2006

CUCBM

- The original SOE formed to develop the CBM industry in China
- Now 70% owned by CNOOC

CNPC

- China's largest oil and gas producer with an extensive international presence
- Strong focus on the development of unconventional gas in China
- SGE is partnered with PetroChina CBM - a subsidiary of CNPC

Strategic Partners

