Scotiabank Beijing
China Gas Market and SEH
May 2014




"Size, Scalability, Market and Pricing"

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Energy – fundamental to China's future growth

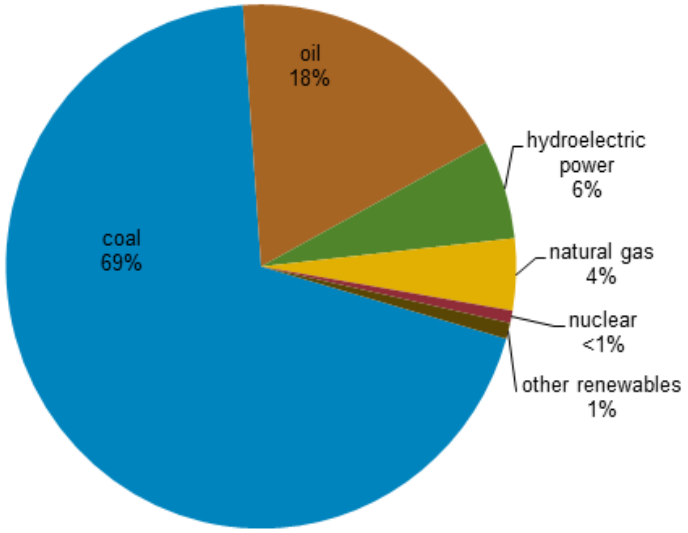
Current

- China is the largest energy producer and consumer in the world
- Coal makes up 69% of the energy mix with the Chinese government targeting a cap of 65%
- China is the second largest importer of crude oil and is expected to become the largest in 2014 surpassing the USA
- To keep up with domestic demand China became a net importer of natural gas in 2007
- Developed countries natural gas usage is 20-25% of the energy mix. China is currently 4% with a target to grow to 8% by 2015

Future

- Continued urbanization, modernization and industrial growth will fuel further energy demand
- China's GDP grew at an average of 10% per year from 2000-2011 and 7.7% in 2012 and 2013. Growth is forecast to at approximately 7% per annum

Total energy consumption in China by type, 2011



Note: Numbers may not add due to rounding.
Source: U.S. Energy Information Administration *International Energy Statistics*.

Natural Gas – Growing % of energy mix

Current

- Annual domestic natural gas production: Up from c.1 tcf[1] in 2000 to 3.7 tcf in 2011
- In 2012 China imported around 1.5 tcf of natural gas (net)

Future

- Chinese Government has created plans to promote the use of natural gas as a clean energy source to lower air pollution associated with coal and reduce the use of more expensive imported crude oil
- To meet this increased demand, the Chinese Government is expected to continue to promote domestic production (conventional and unconventional) as well as diversifying import sources (including international pipelines and LNG)
- Chinese gas demand expected to grow at 5% per year, tripling by 2040[2] to about 17 tcf
- Five-year shale development plan projected unconventional gas production could reach 2 to 3.5 tcf per year by 2020[3]
- China's total gas production is expected to be over 10 tcf by 2035, with unconventional gas accounting for the majority of this amount[4]

Note 1. 1 tcf equals approximately 28.32 billion cubic meters (Bcm) 2. Energy Information Administration 3. Source: National Energy Administration 4. Centre for European Security Strategies

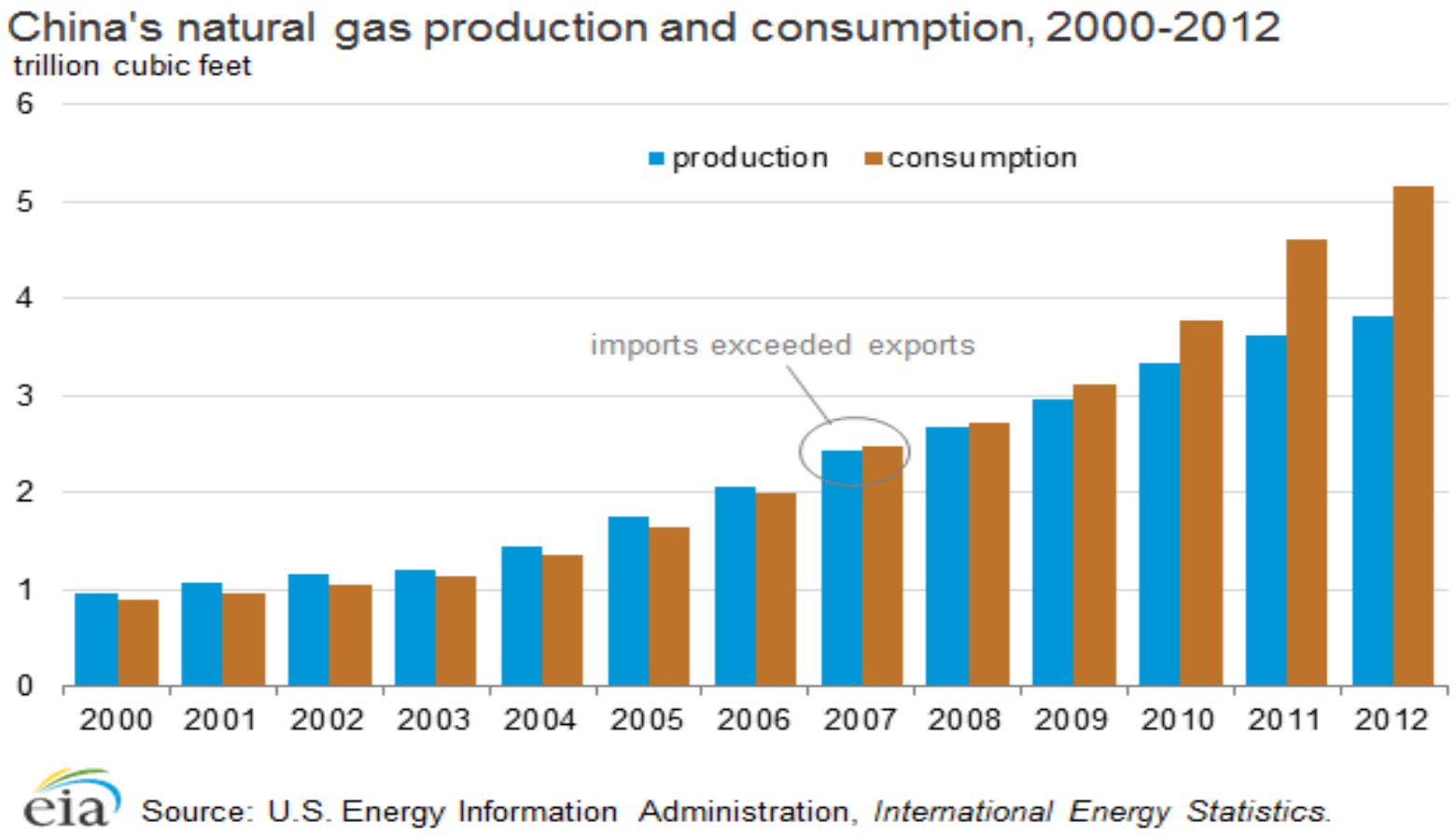
Infrastructure and Market Access Reforms

- China has around 54,000 km of natural gas pipelines, with Government plans to double this by 2015
- Four major gas provinces - Tarim, Sichuan, Changqing and Qinghai - produce about 80% of the nation's total natural gas.
- CNPC is the gas main pipeline operator, constructing and operating around three quarters of the natural gas pipeline network
- Draft reform released by National Development and Reform Commission (NDRC) in August 2013 is designed to provide more open access to the state-dominated natural gas pipeline market
- Reforms are expected to encourage an increasing number of smaller unconventional gas producers to boost output above local consumption, hence increasing overall output nationally

Source: OECD/IEA 2012

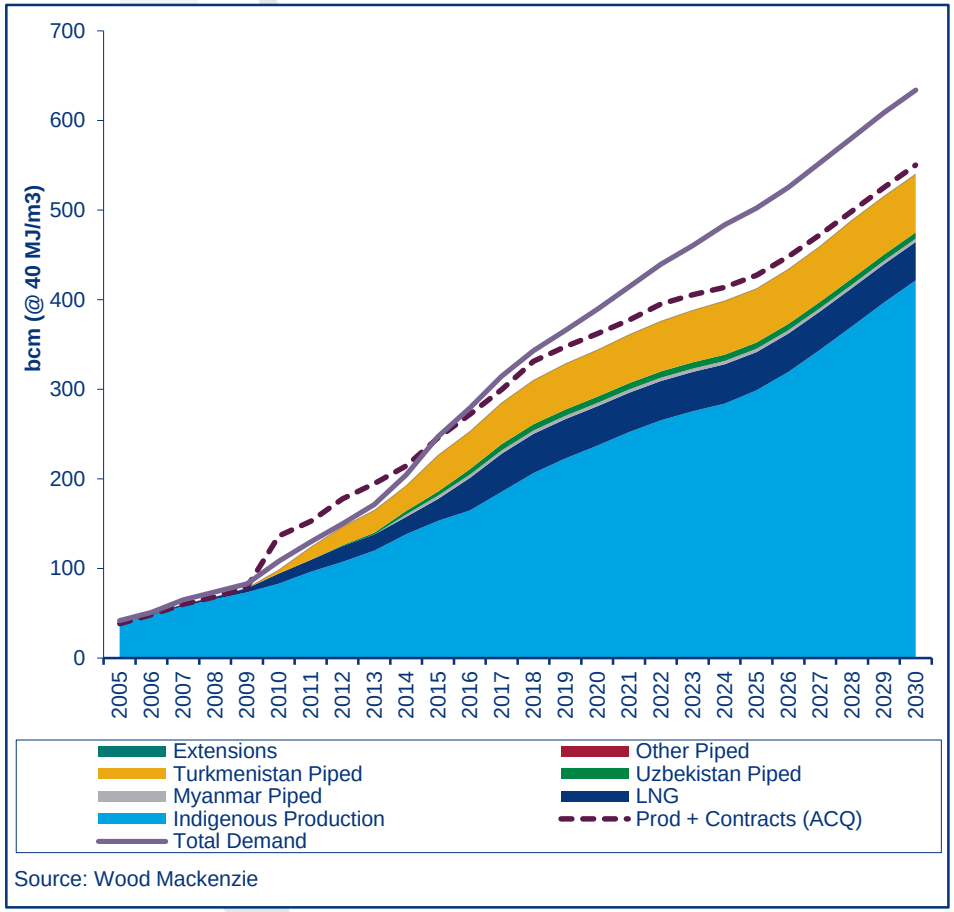
Map Source: PetroChina

China's Natural Gas Production and Consumption



Natural gas consumption growth expected to continue outstripping domestic supply growth

China's Gas Market – Supply & Demand



Source: Wood Mackenzie

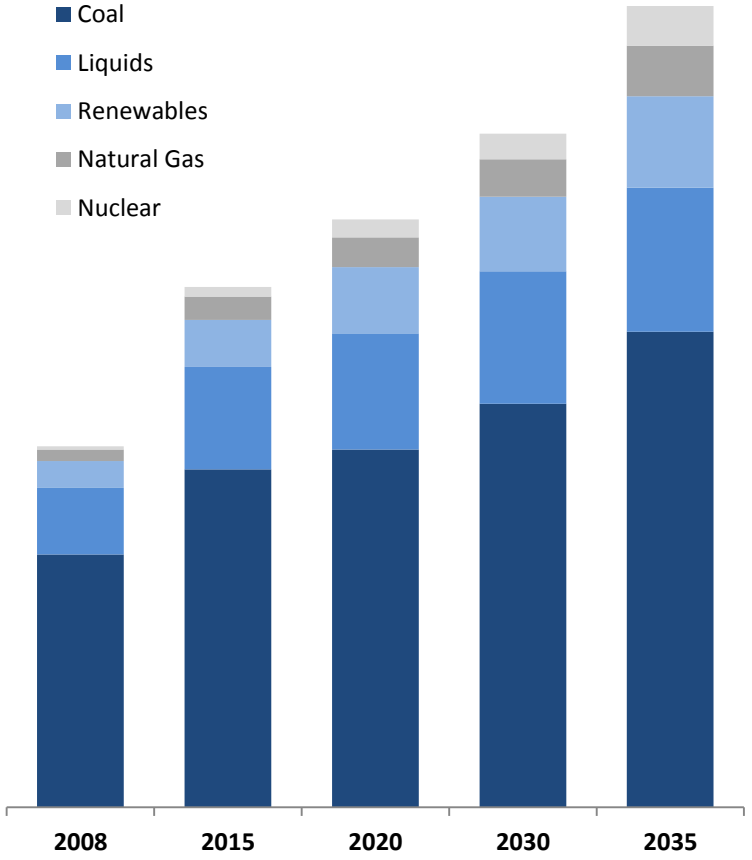
- China held 155 tcf of proven gas reserves as of January 2014[1]
- China tripled natural gas production to 3.8 tcf between 2002 and 2012
- Plans to produce 5.5 tcf by end of 2015 as natural gas displaces other hydrocarbons in the country's energy portfolio.
- Imported nearly 1.5 tcf of LNG and pipeline gas to fill the gap in 2012
- To meet demand, China is expected to continue importing gas via pipeline and as LNG
- Continue to develop expanding domestic reserves and establish a wider domestic natural gas network and storage capacity

Note 1. Oil & Gas Journal

China's 12th Five Year Plan

- China's National Energy Administration ("NEA") officially released its 12th Five Year Plan for Development and Utilization of Coal-bed Methane on 31 December 2011:
  - China's 12th Five Year Plan focuses on the development of two commercial bases in Qinshui Basin and Ordos Basin
  - Stipulates accelerated development along the eastern fringe of the Ordos Basin
  - By 2015 the plan targets production capacity of CBM in the Qinshui Basin and Eastern Ordos Basin to reach 16 billion cubic meters
- NDRC is targeting natural gas consumption to make up 8% of total primary energy consumption by 2015 vs. 3.7% in 2010
- China's Central Government State Council is decentralising the regulation of production sharing contracts under foreign cooperation - expected to streamline the regulatory approval processes

China's Projected Energy Mix



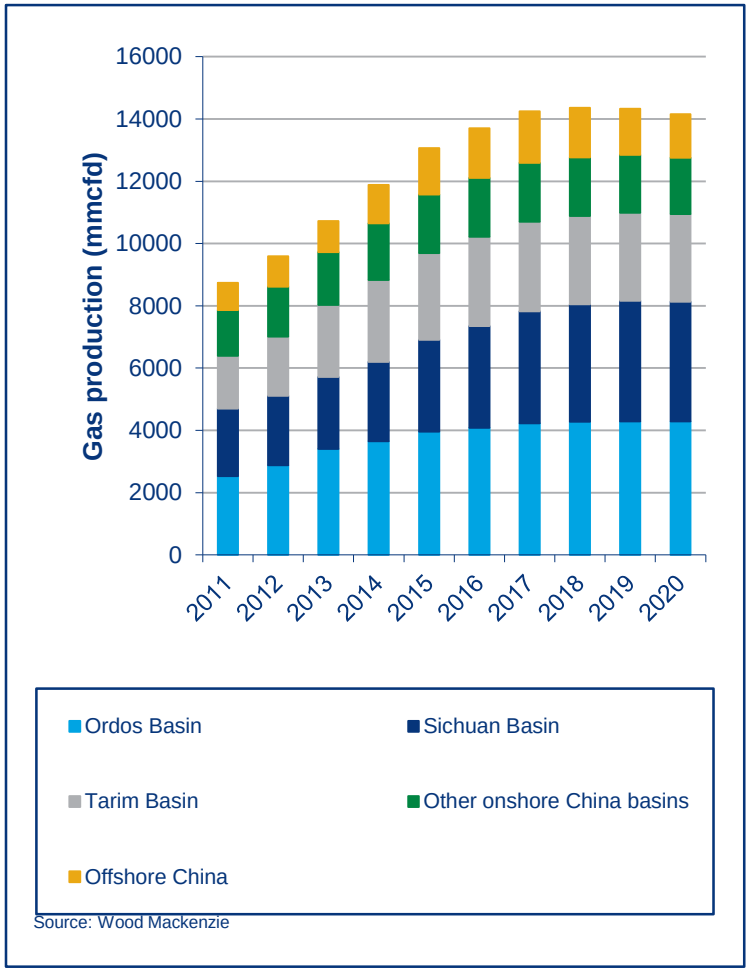
Source: EIA International Energy Outlook

China's Gas Market – Pricing

- National Development and Reform Commission ("NDRC") announced a two-tier gas pricing system effective 10 July 2013 . City gate prices for existing gas supply will increase by 15% to US$8.9/mmbtu. Incremental supply above 2012 contracted volumes will increase further to US$13.4 to US$15.1/mmbtu
- Key components of the price reform include:
  - Each province will have two city gate prices – existing supply based on 2012 contracts and higher pricing for incremental volume
  - Shift away from a cost-plus system for onshore production to an oil-linking structure for incremental onshore and imported pipeline supply on a netback basis to oil-indexed city gate
  - Incremental gas price is based on modified version of the LPG/HSFO pricing formula announced late in 2011 for Guangdong/Guangxi. Approximately 90% of the weighted average of imported fuel oil (60%) and imported LPG (40%) with an adjustment for heating value and VAT
  - Existing supply price will increase gradually align with incremental by end of 2015
  - Offshore gas, unconventional gas and LNG imports are not covered by the latest price reforms and will continue on a negotiated basis
  - Nation-wide residential pricing reforms were recently announced with implementation planned by the end of 2015. The stated goal is to reduce the gap between residential gas prices and non-residential prices

China's Gas Market – Key Players

- Production is dominated by NOCs
  - CNPC produces 79% of domestic gas
  - CNOOC operates six LNG import terminals and manages much of the country's offshore production
  - Sinopec operates the Puguang field (350 bcf/y) in Sichuan plus many of the pipelines
- IOCs bring technology and partner with NOCs
  - Chevron 30 year PSC sour gas in Chuandongbei (CNPC)
  - Shell and Total (CNPC) tight gas in the Ordos basin
  - Husky, BP, BG, ENI, Chevron (CNOOC) offshore
  - Shell (CNPC) shale gas
- US Independents Newfield, Anadarko and Noble Energy recently divested of their Chinese assets rebalancing their corporate portfolios
- Independents such as Sino Gas & Energy, Far East, Asian American



Source: Wood Mackenzie

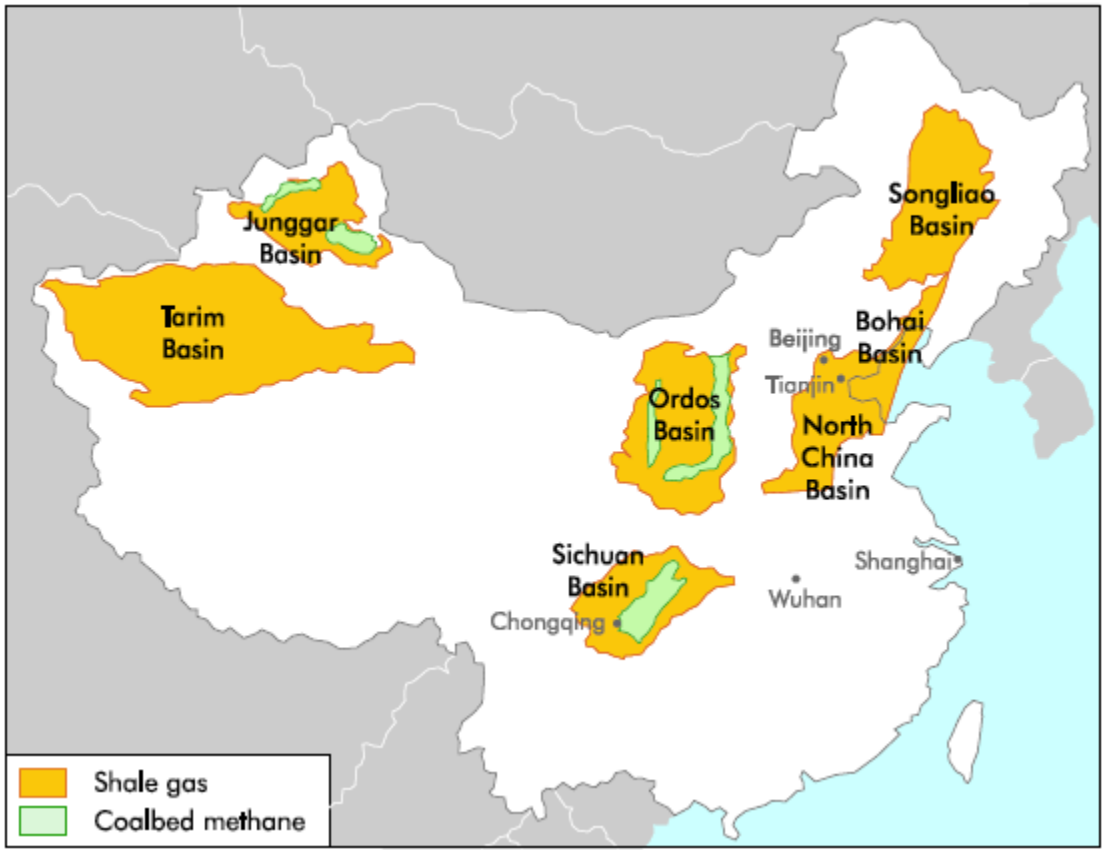
Favorable Policies to Promote Unconventional Gas

- Favorable policies have been put in place for the development and utilization of coal-bed methane include:
  - Subsidies of RMB 0.2 per cubic meter (~US$0.93/mscf1)
  - Hydrocarbon VAT ranges from 5% to 17%, with rebates available for CBM producers
  - Tariffs and VAT waivers on imported equipment, instruments, machinery and accessories that are directly used for developing CBM resources
  - Qualified research and development expenditure can be deducted for tax purposes at 150% of the actual expense
- In 2012, the Chinese Ministry of Finance announced a subsidy of RMB 0.4 per cubic meter (~US$1.86/mscf[1]) for shale gas until 2015

Note 1. Thousand standard cubic feet

China’s Unconventional Basins

- China's CBM reserves are located in three main regions:
  - North: Ordos basin
  - Southwest: Sichuan basin
  - West: Junggar and Tarim basins
- The majority of China's proven shale gas resources are prolific in same regions as CBM - as well as the north-east Songliao, Bohai and North China basins
- Sino Gas & Energy’s acreage sits on the eastern fringe of the Ordos Basin in Shanxi Province



Source: IEA

Challenges in Developing China's Unconventional Gas

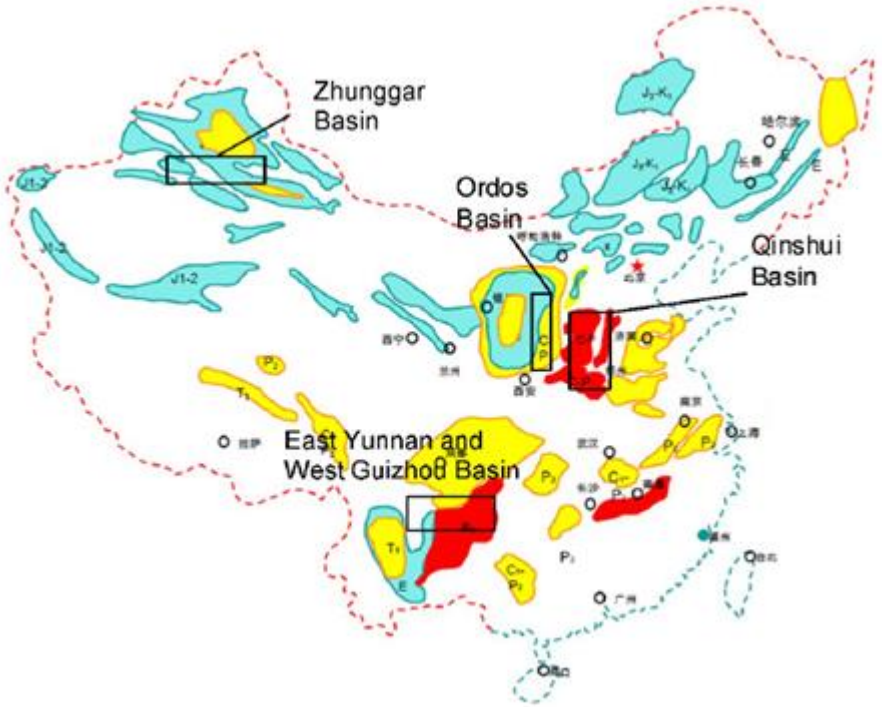
- Unconventional gas resources are very abundant yet its development is still in the early stages.
  - Tight gas is the most mature and has entered the large scale commercialization stage,
  - Coalbed methane (CBM) is in the initial stage of commercialization, and
  - Shale gas is in the initial stage of resource evaluation and technological study.
- Potential challenges to accelerating development include:
  - Geological and technological issues
  - Growing infrastructure and markets
  - Expanding service sector capabilities
  - Access to land and water
  - Developing regulatory environment
- China is beginning to overcome these challenges and directing the future pace and location of development

Coal-bed Methane – China's Current Focus

- Access to markets, government reforms, higher gas prices and advances in technology have made it possible to commercially develop CBM in China

- CBM development has benefited from:
  - the involvement of increasing number of foreign players;
  - lower capital requirements;
  - the technological entry barriers in comparison to shale gas exploration and production is low;
  - long life reserves, low decline rates and good production rates;
  - large areas to explore, including bypassed opportunities; and
  - advancing technology that can bring success in plays that failed earlier.

Key CBM Basins in China

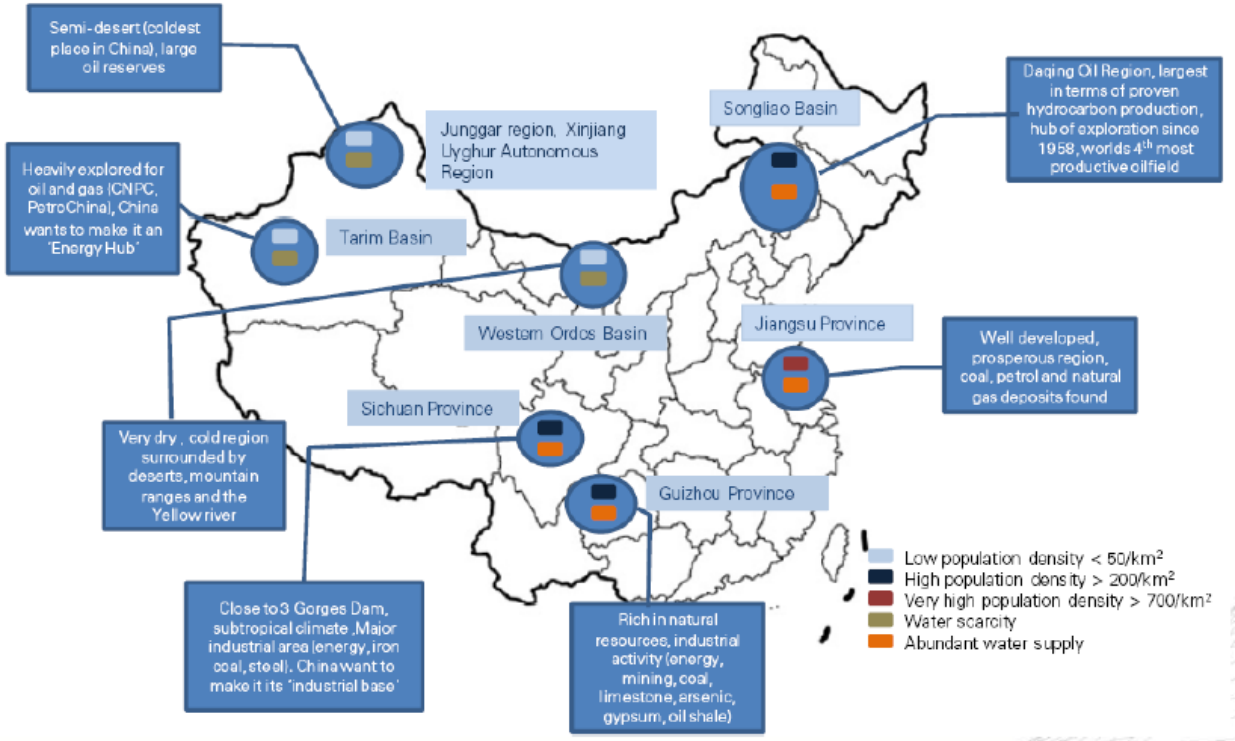


Source: CUCBM

Shale Gas – China's Long Term Future

- According to recent EIA estimates, China holds the largest shale gas reserves in the world
- Special research projects focusing on shale gas exploration and indigenous development technologies established by the Government
- PetroChina plans to spend US$1.6 billion this year on shale gas
- Low cost access to water in key basins is an issue

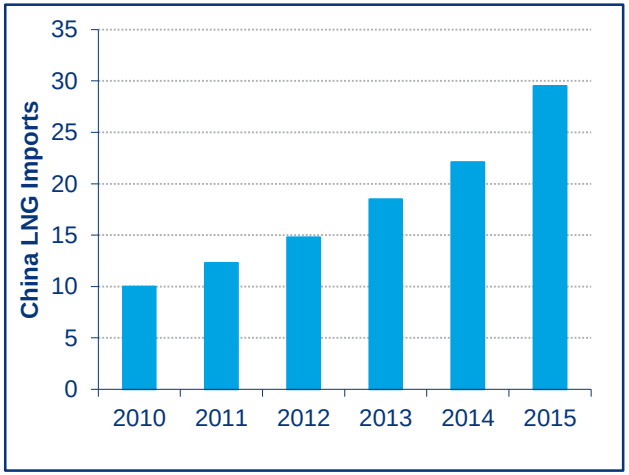
Chinese shale gas basins



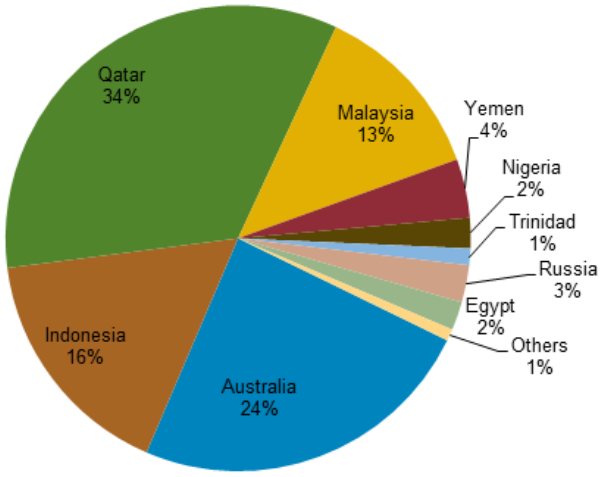
Source: CNPC

China's Gas Market - LNG

- China is the 3rd largest buyer of LNG after Japan and Korea, purchasing an incremental 3.8 million tons in 2013 a 26% increase Y-o-Y
- Anticipated to be a growing gas supply segment
- After several years of limited activity NOC's moved back into LNG:
  - Equity (PetroChina): Browse, Yamal, Mozambique
  - HoA: BG 5 mmtpa (CNOOC) and Yamal 3 mmtpa (PetroChina)
- Continued slow growth of domestic production will drive long-term LNG contracting
- Gas on gas supply competition will drive demand
- Emergence of non-NOC LNG buyers such as ENN, Guanghui and JOVO seeking gas for their terminals



China LNG import sources, 2012



eia Source: FACTS Global Energy. Others: Oman, Algeria.

China’s clean energy future starting now

- 12th Five Year Plan aims for a 17% reduction in carbon dioxide emissions by 2015, signaling promotion of clean energy
- China will implement small pollution particle PM2.5 standards by 2016
- Central government pushing towards utilisation of gas to replace high carbon emitting coal
- Government policy prioritizes gas exploration and production over coal mining mineral rights
- Chinese Provinces, such as Shanxi are preparing for a gas-fired future with major infrastructure projects

About Sino Gas & Energy Holdings Limited

- Sino Gas & Energy Limited ("Sino Gas" ASX: SEH) holds a 49% interest in Sino Gas & Energy Limited ("SGE") with its strategic partner, MIE Holdings Corporation ("MIE" HK: 1555)
- SGE is the operator of the Linxing (64.75% WI) and Sanjiaobei (49% WI) Production Sharing Contracts (PSCs) in the Ordos Basin, Shanxi province
- SGE's PSC partners, CUCBM and PetroChina CBM, are entitled to back into the Linxing and Sanjiaobei PSCs respectively upon Overall Development Plan (ODP) approval by contributing development and operating costs in line with their PSC interest
- The PSCs are located in the Ordos Basin and cover an area of approximately 3,000km2

- The Ordos Basin is the second largest onshore oil and gas producing basin in China with mature field developments with an established pipeline infrastructure to major markets
- Rapid economic development is being experienced in the provinces in which Sino Gas' PSCs are located and natural gas is seen as a key component of clean energy supply in China.

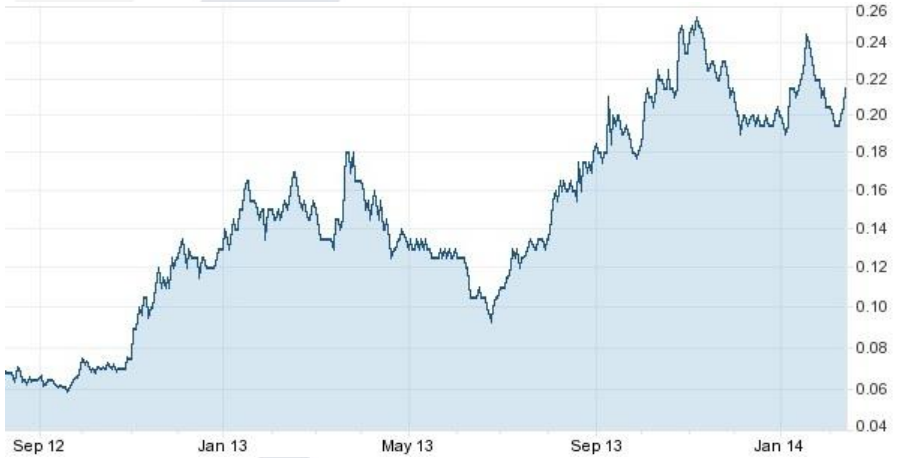
Company Snapshot

Corporate Information - as at 23 April 2014

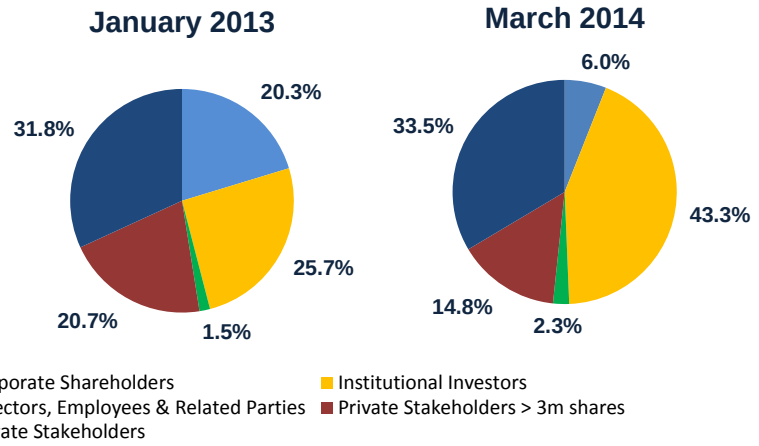
Share Price (ASX:SEH)	A$0.17
Issued Shares	1,530m
Market Cap	A$260.1m
Cash Balance (31 Mar 2014)	A$62.0m

US$90m of 2012/14 PSC work program expenditure being funded by MIE - approximately 62% cash called to 31 March 2014.

Share Price History



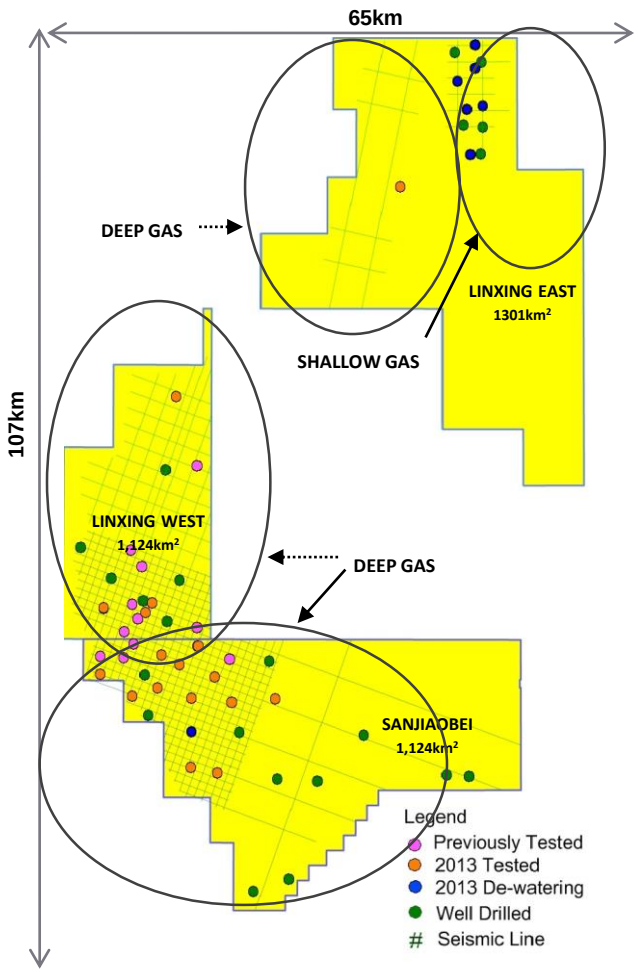
Transitioning Share Register



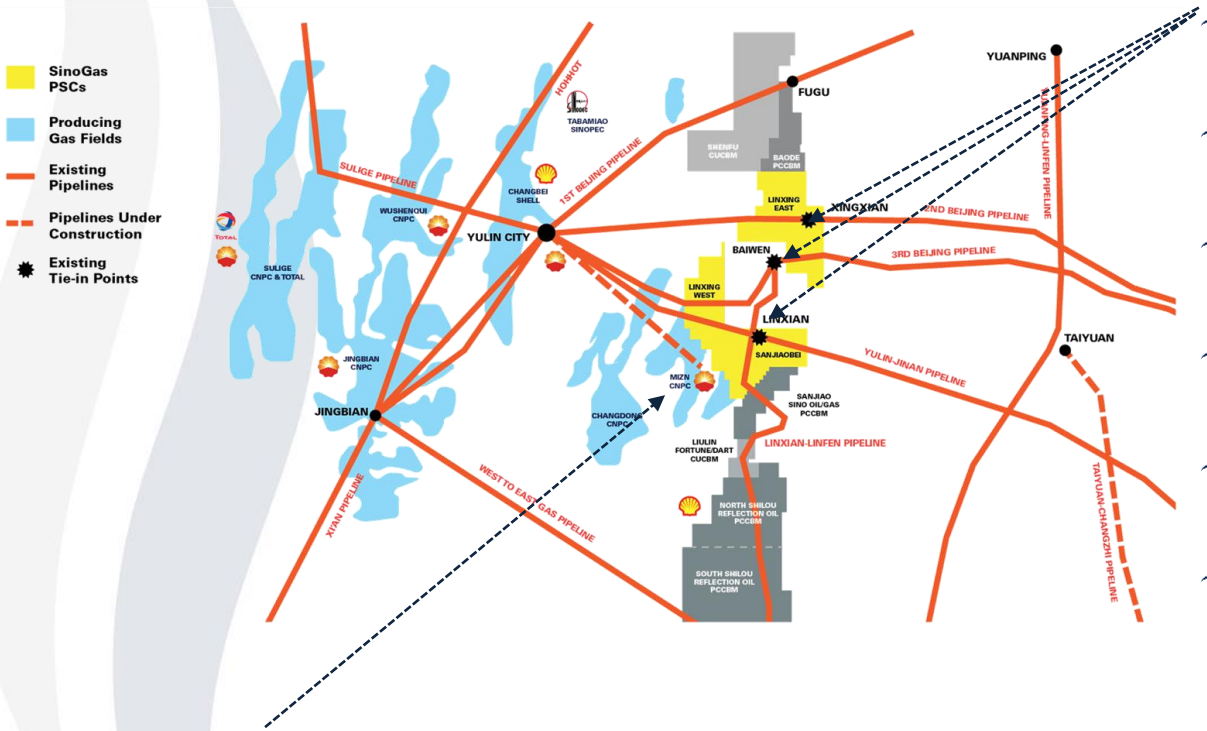
Top Shareholders – 8 April 2014	Shares (m)	%
FIL Investment Management	129.4	8.5%
Imdex Limited	91.9	6.0%
Colonial First State - Growth Australia	58.0	3.8%
Kinetic Investment Partners	55.6	3.6%
JP Morgan Chase & Co	47.0	3.1%

Ordos Basin – PSC Overview

- **Size & Scale**
  Sino Gas' PSCs are approximately 3,000km^2 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. Changqing oil and gas field alone producing 2.8 bcf/day gas in 2012 (27% of China's total gas production). Sulige tight gas field achieved peak production of 1.7 bcf/day in 2012
- **Commercialisation**
  Sino Gas is well advanced and on track to commence pilot pipeline production and sales in 2014



Existing Infrastructure & Market



- Multiple gas pipelines with **existing tie-in points**
- Direct 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

- Adjacent CNPC field on production since 2005
- CNPC is the SOE PSC Partner with Sino Gas in the adjacent Sanjiaobei PSC
- Over 200 producing wells are currently estimated - a combination of vertical and horizontal well completions

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 EMV[2]	US$664 mm	US$1,556 mm	US$2,258 mm	

1 – Refer to Resource Statements on slides 33-34 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$1.5/Mscf for mid-case Reserves, Contingent & Prospective Resources.

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

Sino Gas and Energy Holdings is proud to be playing a role in the China energy growth story

- **Reserves & Resources**
  A growing reserve and resource base (Gross Project 2P Reserves at 1,068 bcf[1]) 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/mscf[1], 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

1 – Refer to Resource Statements on slides 33-34 for full disclosure.

Contacts

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




Appendices

A. Board and Management

B. Unconventional Reserves Calculation Methodology

C. Independent Economic Valuation

D. Project and Company Growth

E. History of Unconventional Gas in China

F. Reserves & Resources Upgrade

G. Attractive Partners

H. Key PSC Terms & Cost Recovery

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 A: Board and Management

Philip Bainbridge
Non-Executive
Director

- More than 30 years experience in the oil and gas industry, 23 years with the BP Group
- Former COO of Oil Search and Executive General Manager LNG responsible for gas growth and exploration
- Currently a member of the Board of PNG Sustainable Development Program and a non-executive director of Drill Search Energy Company
- Extensive gas project development and management experience
- Member of the Australian Institute of Company Directors

Appendix B: Unconventional Reserves Calculation Methodology

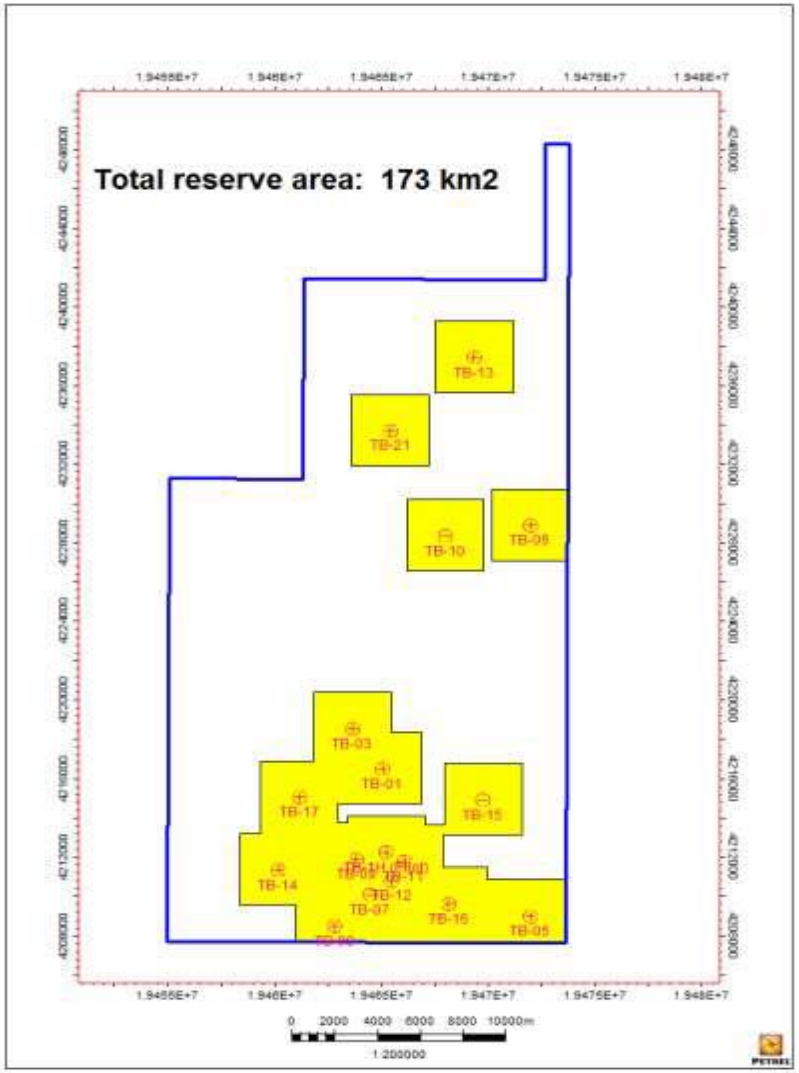
- **Reserves Assigned to Existing Wells**
  RISC assigns reserves to existing wells and the two adjacent well spacings within the discovered area

- **Linxing (West) Reserves Cover 42% of discovered area**
  Reserves have been assigned to 173 km^2 of the 410 km^2 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

SINO Gas & Energy 中澳煤层气能源

RISC Independent Economic Evaluation

US$2.3 billion[1]

Expected Monetary Value (EMV) announced 3 March 2014

Project IRR ~ 52 to 66%[1]

mid-case across both PSCs[2]

~ 1 Bcf/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

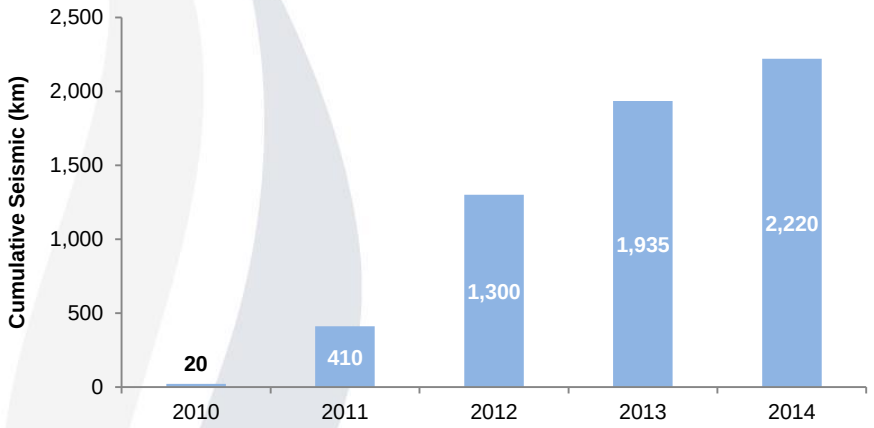
Further upside still remains

- Pad Drilling
- Horizontal Wells
- Underexplored Acreage

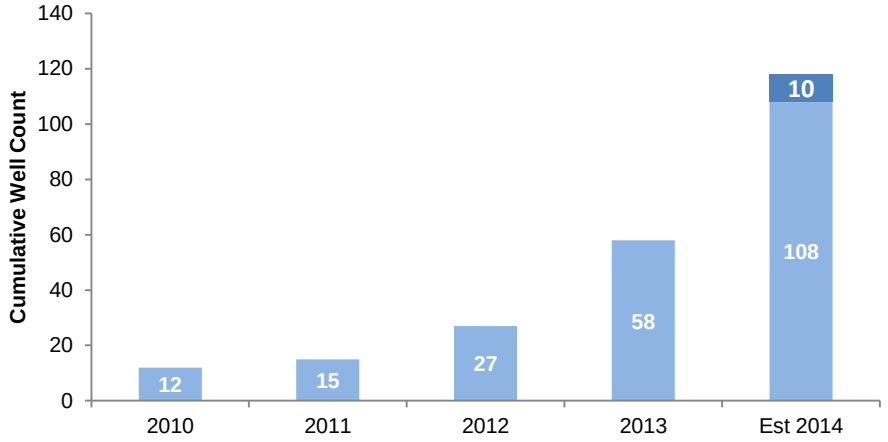
1 – Refer to Resource Statements on slides 33-34 for full disclosure. Evaluation based on NPV_{10} with a mid-case gas price of US$8.79/Mscf and lifting costs (opex+capex) of ~US$1.5/Mscf for mid-case Reserves, Contingent & Prospective Resources.

Appendix D: Project and Company Growth

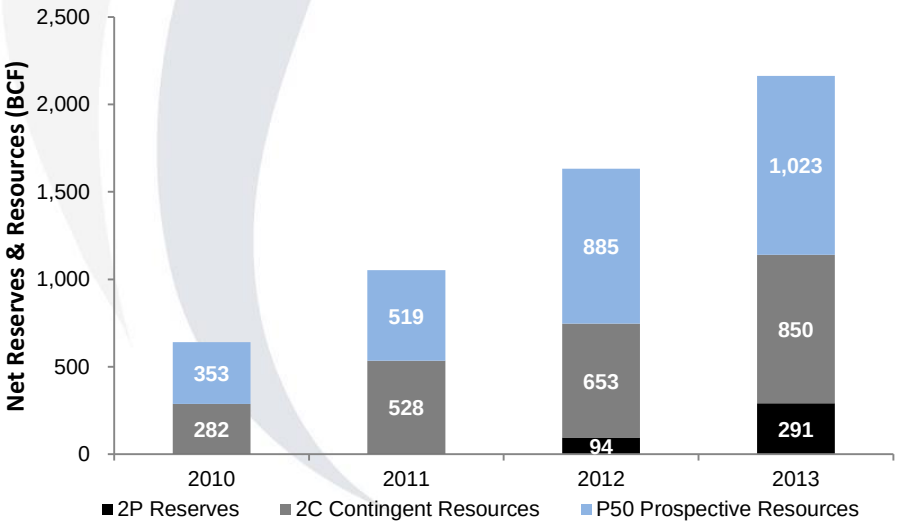
Cumulative Seismic (km)



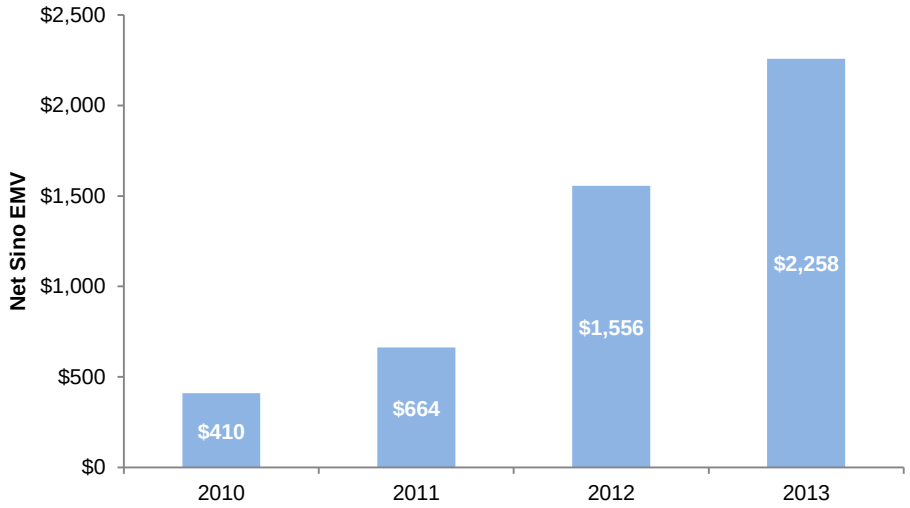
Cumulative Well Count



Sino Gas' Net Reserves & Resources Growth[1]



Sino Gas' Net EMV[2]



1 – Refer to Resource Statements on slides 33-34 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$1.5/Mscf for mid-case Reserves, Contingent & Prospective Resources.

Appendix E: History of Unconventional Gas in China

- 1980's: Creation of three national oil companies (NOCs) CNPC, Sinopec and CNOOC during the process of economic reform
- 1992: CNPC commenced an overall evaluation of China's CBM resources, selecting Qinshui Basin, Ordos Basin, Junggar Basin and Erlian Basin as the prospective regions
- 1996: China United Coalbed Methane Corporation (CUCBM) established as the sole state-owned company for developing CBM
- 1998: Broad-scale restructuring with CNPC (PetroChina) and Sinopec to handle entire upstream/downstream segments
- 2006: CBM opened to foreign investors in order to accelerate its development (Sino Gas & Energy Holdings Limited established in Beijing)
- 2009: MOU on Sino-American co-operation in Shale Gas development projects
- 2009 – 2011:CNPC, Sinopec and other Chinese companies sign agreements for co-operative development of shale gas in China with Royal Dutch Shell, ConocoPhillips, BP, ExxonMobil and other international companies
- 2011 – 2013: NDRC have approved four CRRs and two Overall Development Plans (ODP), with others in various stages of approval. Sino Gas submitted its first CRR in August 2013.

Appendix F: 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 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. 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.

Appendix F: 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 bcf[1]
- Gross Project Contingent Resources increased 32% to 2.9 tcf, with Sino Gas' share increasing to 850 bcf[1]
- Gross Project Prospective Resources increased 25% to 4.0 tcf, with Sino Gas' share increasing to 1.0 tcf[1]
- Sino Gas' share of project EMV has increased by a further 45% to US$2.3 billion[2]

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* (Bcf)[3]	P50 PROSPECTIVE RESOURCES* (Bcf)[3]	EMV_{10} ($USm)[2]
31 December 2013 (Announced 4 March 2014)	**129**	**291**	**480**	**850**	**1,023**	**2,258**
31 December 2012 (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} ($USm)	EMV_{10} ($USm)[2]
Reserves	625	653
Contingent Resources	828	754
Prospective Resources	1,350	851
TOTAL		**2,258**

1 – To be read in conjunction with Resource Statement on slide 33. 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$1.5/Mscf for mid-case Reserves, Contingent & Prospective Resources.

Appendix G: 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

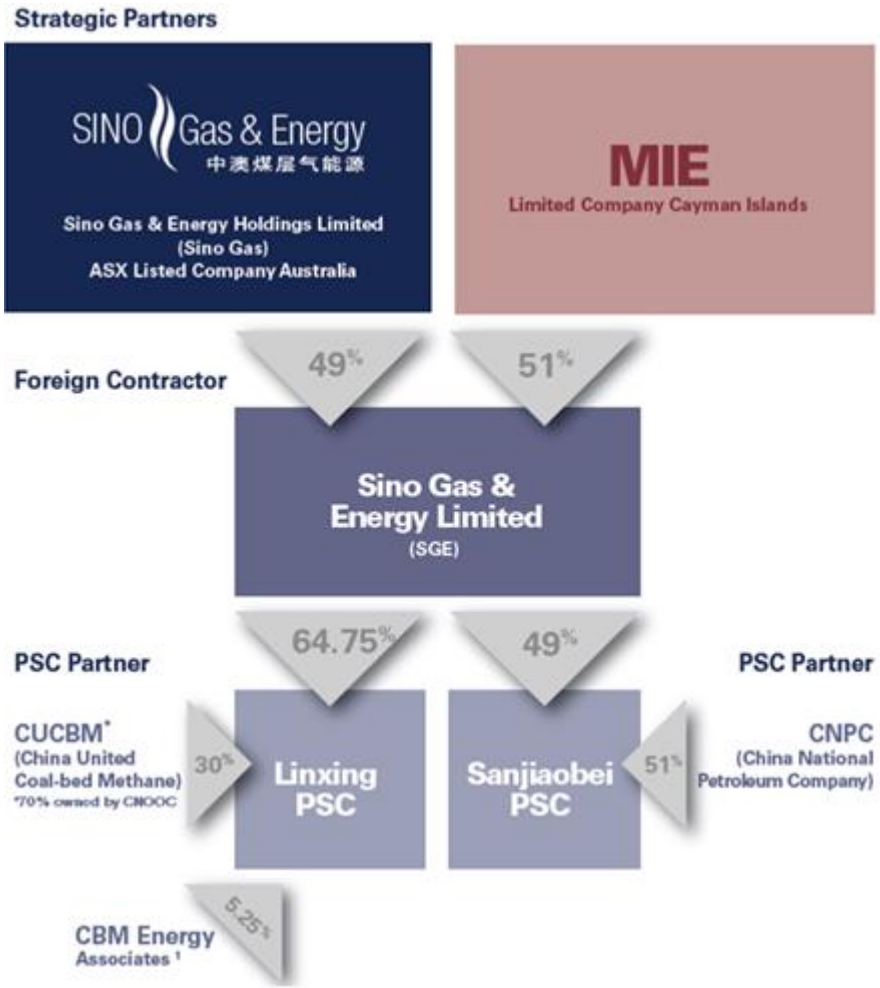
- Production Sharing Contract Operator partnered with major State Owned Enterprises (SOE) with extensive development delivery experience since 2006

CUCBM

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

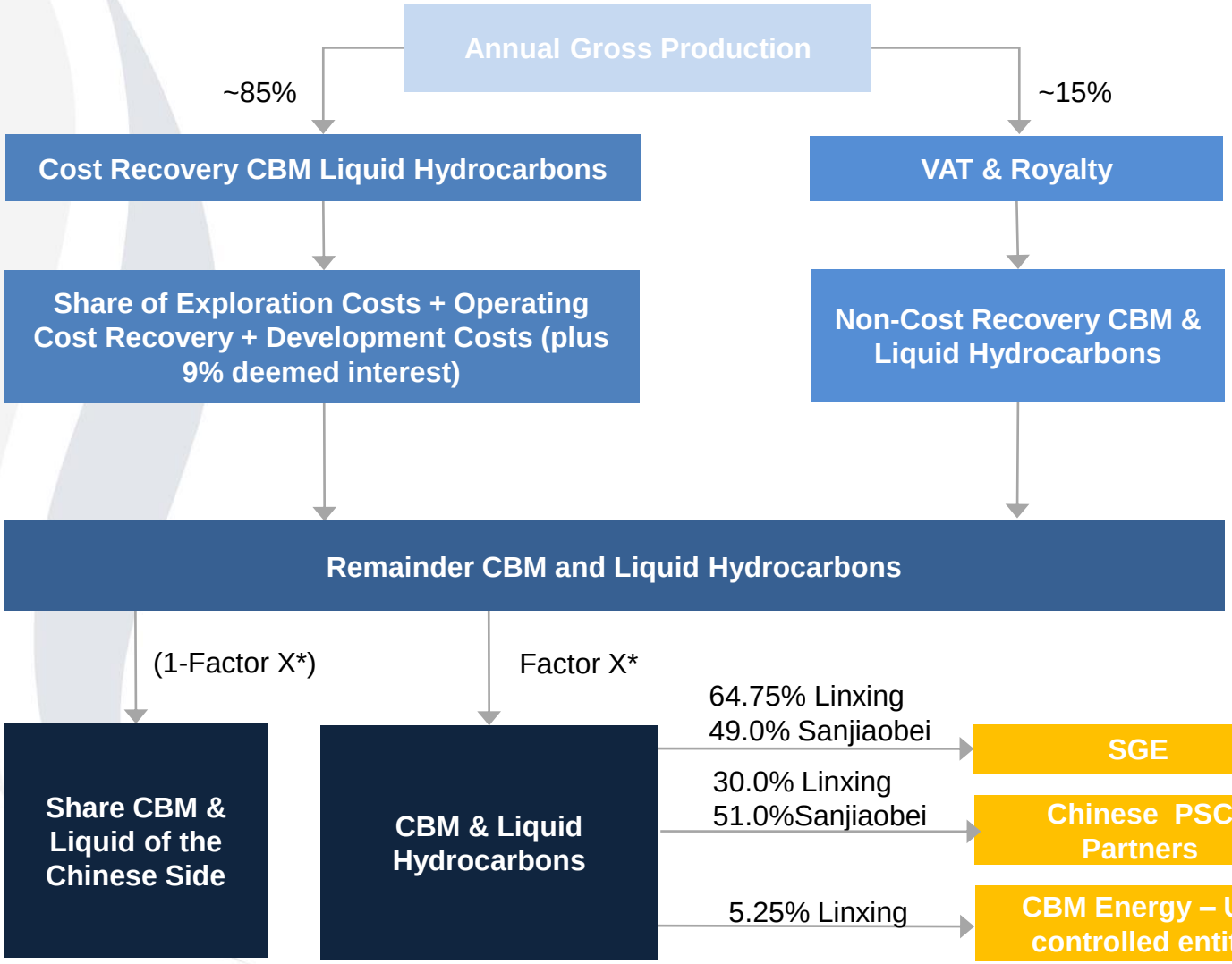
CNPC

- 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



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

Appendix H: Key PSC Terms & Cost Recovery



* Factor X = 0.90 – 1.00 depending on production volume