



10 March 2015

## **GAS SALES AGREEMENT FOR LINXING CENTRAL GATHERING STATION**

-  Gas sale arrangements agreed for the sale of gas from Linxing Gas Station at US\$9.62 per thousand cubic feet
-  Linxing central gathering station on track for commissioning in mid-2015

Sino Gas & Energy Holdings Limited (ASX:SEH, "Sino Gas", "the Company") is pleased to announce that gas sales arrangements for the sale of gas from the Linxing Gas gathering station have now been finalized and that commissioning is on-track for mid-2015.

A Gas Sales Agreement (GSA) has been signed by China United Coal Bed Methane Co., Ltd (CUCBM) with Shanxi GuoHua Energy Limited Company (GuoHua) on behalf of the PSC operator, Sino Gas & Energy Limited (SGE) for gas supply from the Linxing central gathering station at RMB 2.13 per cubic meter (~US\$9.62 per thousand standard cubic feet). The contract is effective until the end of 2017 and can be extended, while the contracted gas price is effective until the end of 2015 and is adjustable on an annual basis to take into account changes in local market conditions and Government policies as they are implemented.

GuoHua is a subsidiary of Sinopec and Shanxi International Energy Group and was established in January 2011. According to the 12th Five Year Plan (2011-2015), GuoHua committed to building 1,000km of natural gas pipelines in Shanxi province with annual transmission capacity of 5 billion cubic meters (c.500 million standard cubic feet per day) and this is substantially complete. This includes the Taiyuan-Changzhi East trunkline, Linlin pipeline and the branch line tie-in to Yuji pipeline. GuoHua holds exclusive access to the Yuji pipeline in Shanxi province. This pipeline is currently being utilised to transport gas from Sino Gas' two PSCs to market. GuoHua is also responsible for the construction of the spurline pipeline to connect the Linxing central Gathering Facility to the Yuji pipeline. As reported in our fourth quarter update, construction of this spurline is approaching completion ahead of commissioning of the central gathering station mid-year.

Commenting on the new GSA, Sino Gas' Managing Director Glenn Corrie said "Finalisation of the Gas Sales Agreement for the Linxing central gathering station concludes one of the key commercial requirements prior to bringing on first pilot production from the facility in mid-year. We are pleased to have finalised this arrangement so shortly after the NDRC adjustments to the city-gate prices were announced last week, re-enforcing the strong demand for our gas and the Government's policy to maintain robust gas prices. We are delighted to be working with GuoHua, a major natural gas distributor in Shanxi province, and look forward to developing a long-term relationship with GuoHua. We look forward to selling our gas at this improved price for the benefit of the project, the region and the country."

### **Sino Gas & Energy Holdings Limited**

Investor Relations  
+86 10 8458 3001  
1300 746 642 (local call within Australia)  
[ir@sinogasenergy.com](mailto:ir@sinogasenergy.com)

#### About Sino Gas & Energy Holdings Limited

---

Sino Gas & Energy Holdings Limited ("Sino Gas" ASX: SEH) is an Australian energy company focused on developing unconventional gas assets in China. 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. SGE has been established in Beijing since 2006 and is the operator of the Linxing and Sanjiaobei Production Sharing Contracts (PSCs) in the Ordos Basin, Shanxi province.

SGE's interest in the Linxing PSC with CUCBM is 64.75% and 49% for the Sanjiaobei PSC held with PCCBM. SGE has a 100% working interest during the exploration phase of the PSC, with SGE's PSC partners being entitled to back-in 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 3,000km<sup>2</sup>. The Ordos Basin is the second largest onshore oil and gas producing basin in China. The region has 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.

Sino Gas & Energy Holdings Limited (ASX: SEH) was admitted to the Official List of ASX in 2009.

#### 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. 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.