

October 30, 2017



Development Plan Linxing and Sanjiaobei

Fuelling China's Clean Energy Future

sinogasenergy.com

ASX | SEH

Material progress towards unlocking significant value and returns



Substantial production & cashflow targeted

- 350 to >550 MMscf/d with significant Free Cash Flow targeted from 2020¹
- Extensively derisked and consistent with major nearby producing fields



Well established in large, fast growing gas market

- Chinese gas demand forecast to triple by 2030²
- Demonstrated gas marketing strategy with take or pay contracts under negotiation



Low cost production underpins strong margin potential

- One of lowest cost producers in China, targeting <\$2/Mscf³
- Forecast well-head prices US\$6.50 - \$9.00+/Mscf⁴



Funding secured for development

- Funding in place for development through existing cash, cash flow from operations and new US\$100mm Macquarie facility



ODP approvals nearing completion

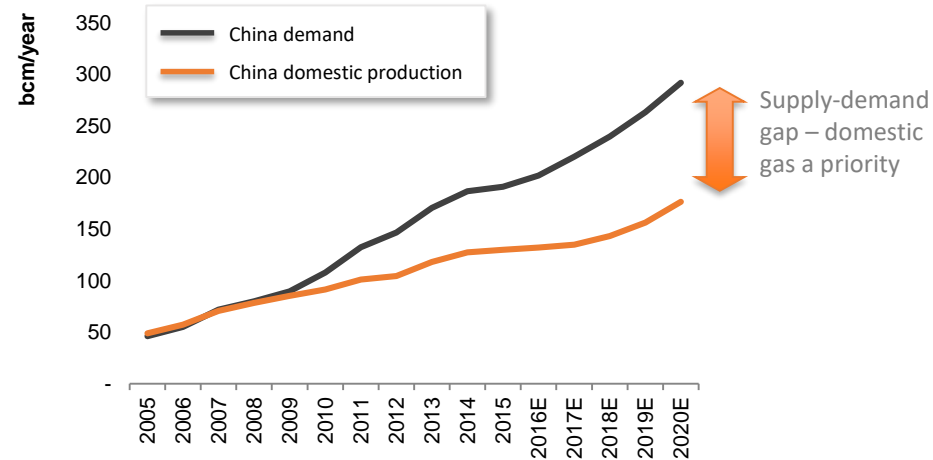
- First Linxing ODP submitted, Sanjiaobei submission targeted Q4 2017
- Production ramp-up in parallel with ODP approvals

Serving China's Large, Fast Growing Gas Needs

Tripling of gas demand expected by 2030¹

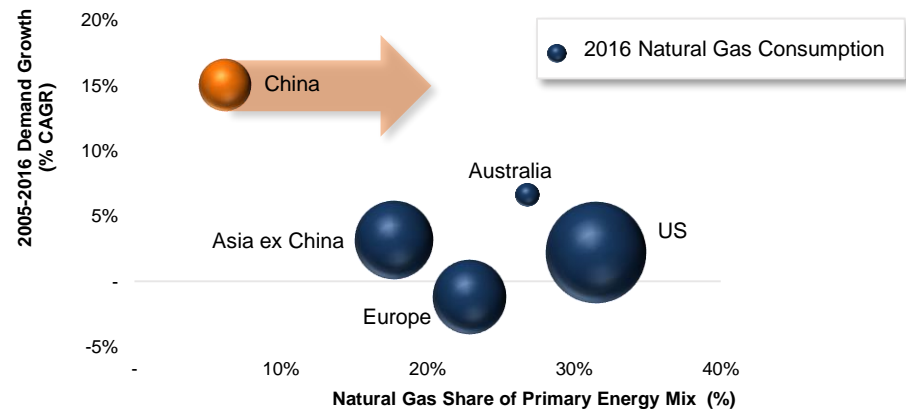
- Demand growth outstrips supply, with import dependency currently over 35%²
- Robust gas prices underpinned by high marginal cost of supply
- Tackling air pollution key Government priority
- Key policy reforms:
 - Spur gas demand
 - Encourage domestic production
 - Improve mid-stream availability and cost

Demand outpacing domestic supply²



China vs. world natural gas demand³

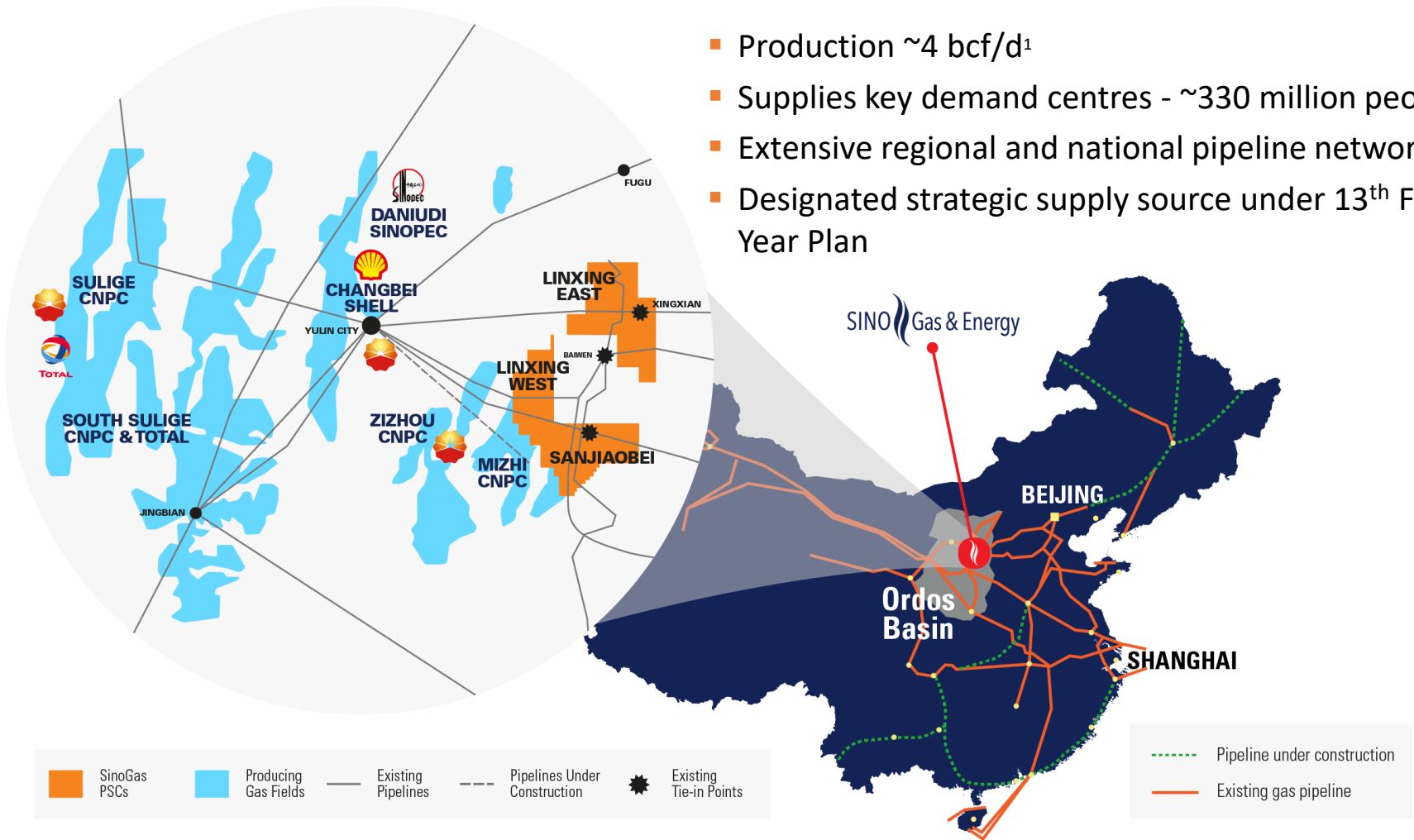
Growth, % of Primary Energy, 2016 consumption



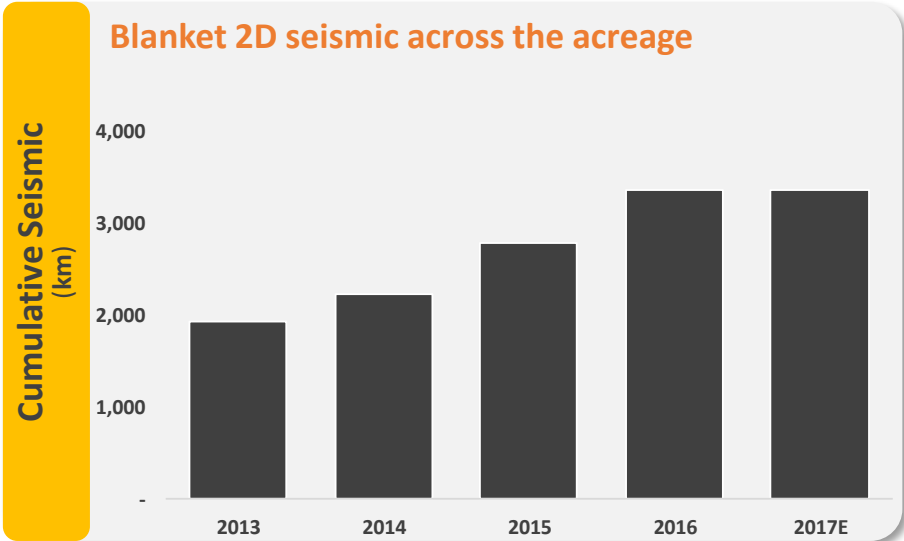
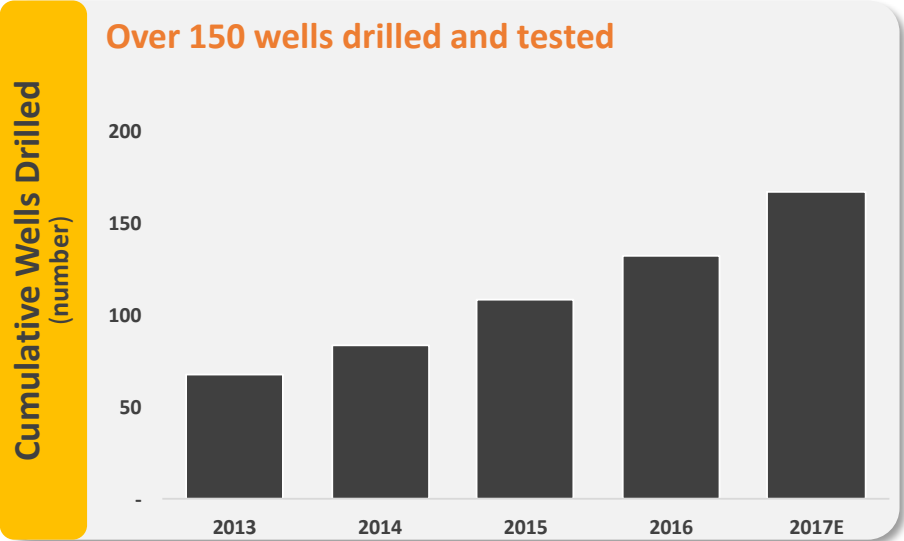
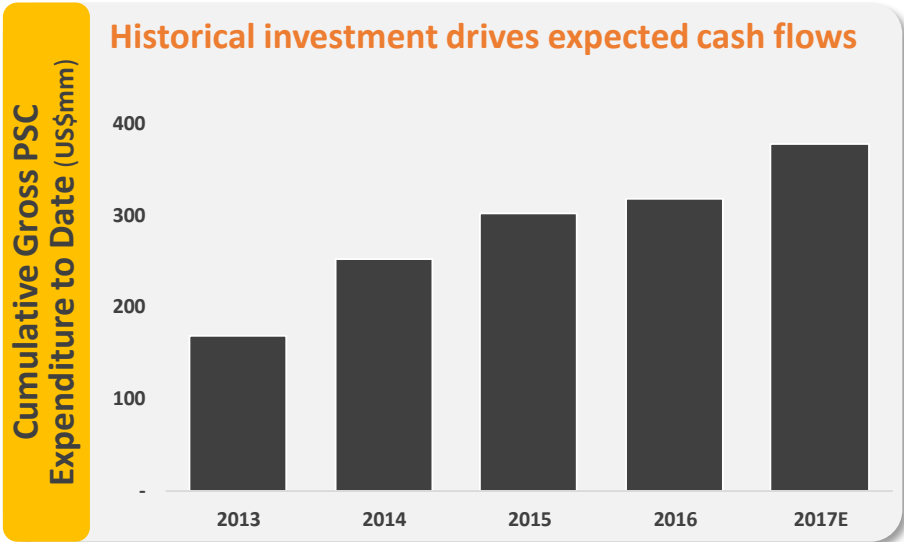
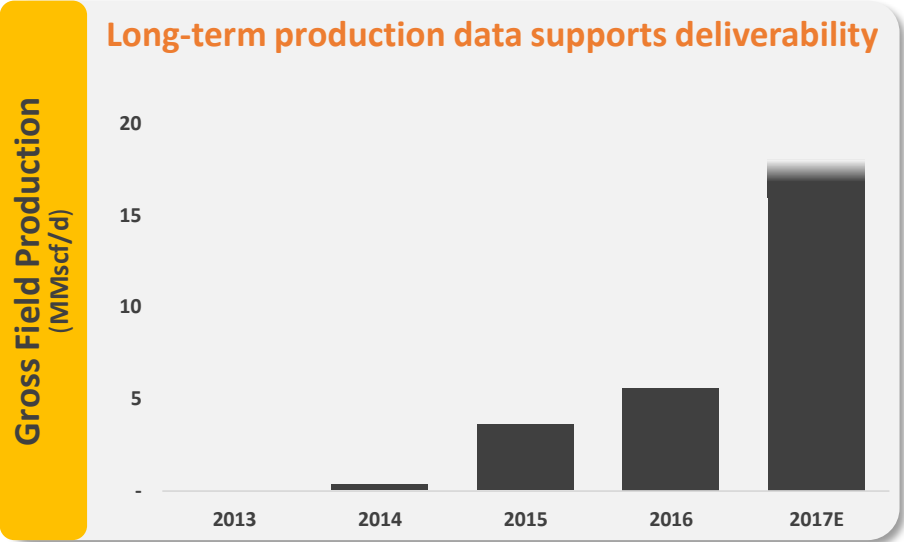
Sino Gas Ideally Positioned in Ordos Basin

China's most prolific gas basin, a strategic supply source

- Production ~4 bcf/d¹
- Supplies key demand centres - ~330 million people²
- Extensive regional and national pipeline network
- Designated strategic supply source under 13th Five Year Plan



Proven Assets Significantly Derisked

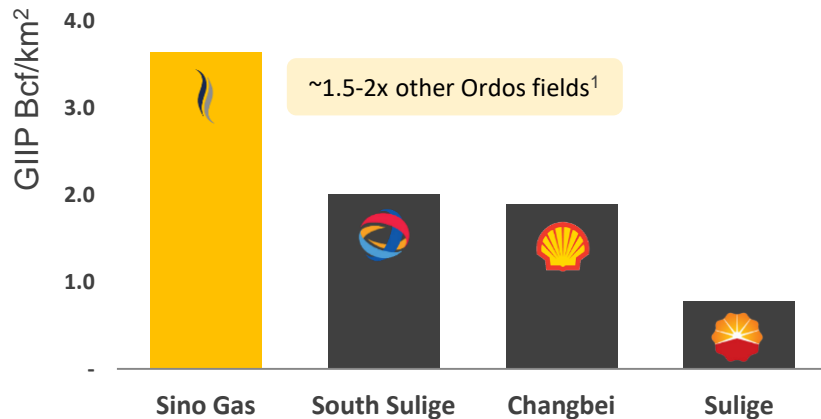


Analogous to Major Ordos Gas Fields

Stacked reservoirs result in high gas in place

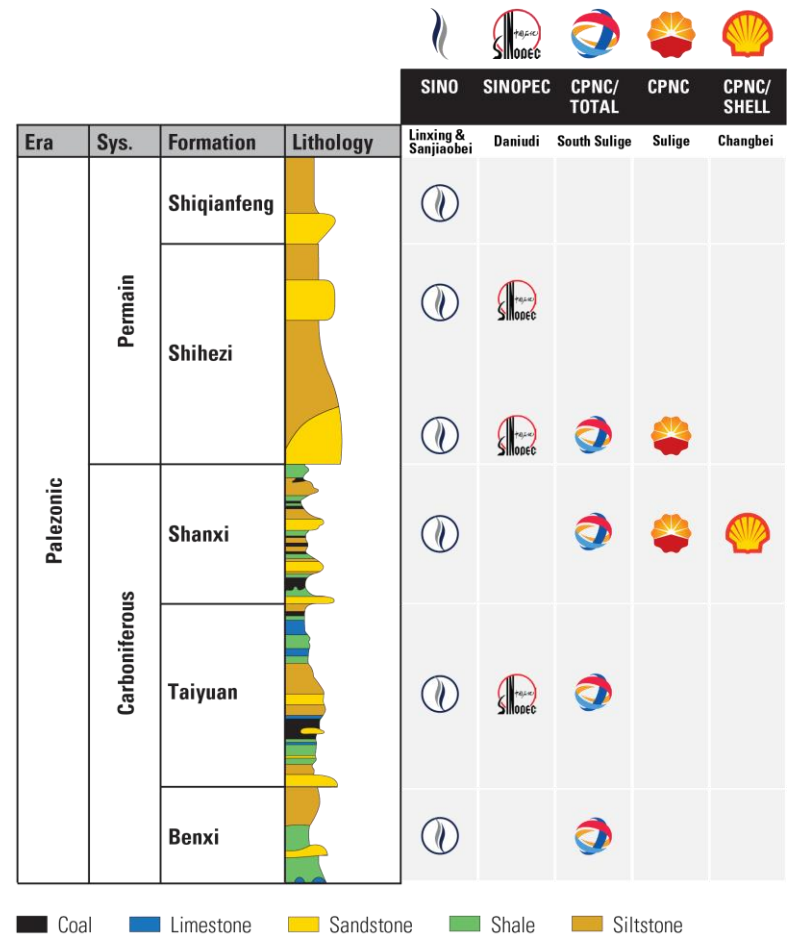
- ~1000m of gross gas bearing section
- Low risk sandstone reservoir with proven deliverability
- Higher quality reservoir reduces fracture stimulation requirements
- Stacked reservoirs drive high ultimate recoveries per well
- Higher gas volumes per km²

Gas Initially in Place (GIIP) density¹



Key Producing Reservoirs¹

Sino Gas benefits from more producing zones



Legend: Coal (black), Limestone (blue), Sandstone (yellow), Shale (green), Siltstone (tan)

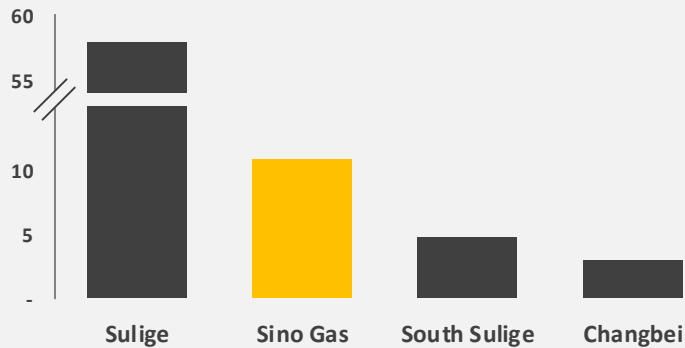
¹ Source: Third Party Fields: Wood Mackenzie, August 2017; Sino Gas based on P50 Gas Initially in Place estimate from RISC as of 31 Dec 2016 – refer to announcement dated 6 March 2017; Area based on total block area ; GIIP estimate NA for Daniudi

Large scale asset with higher quality reservoir drives high productivity

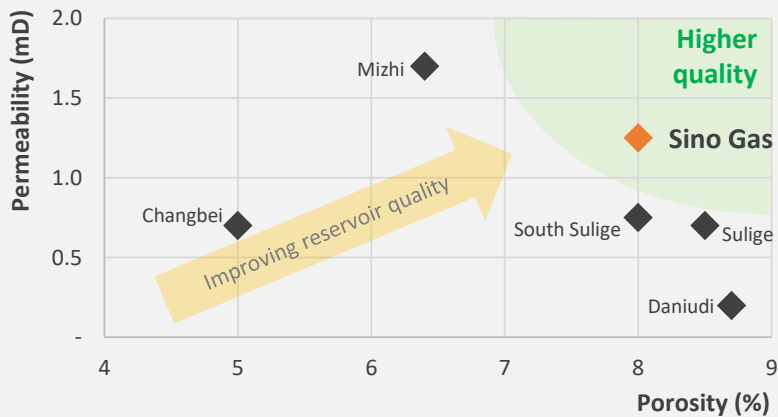
Large Scale

Gas Initially In Place (GIIP)

(Tcf)

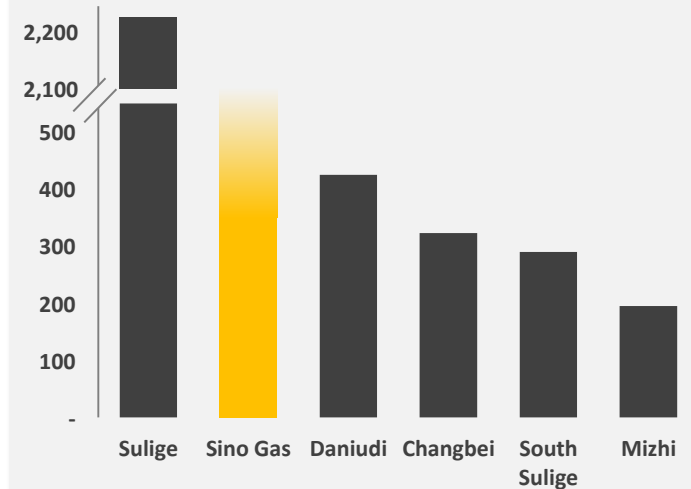


Higher Quality Reservoir



High Productivity

Plateau Gas Rate
(MMscf/d)



Development Plan

Unlocking significant value and world-class returns

Development

- Phased capex minimises upfront investment
- ~1,600 wells (8/pad) in Phase 1, ~10% horizontal
- Low cost facilities with built in capacity expansion

Timing

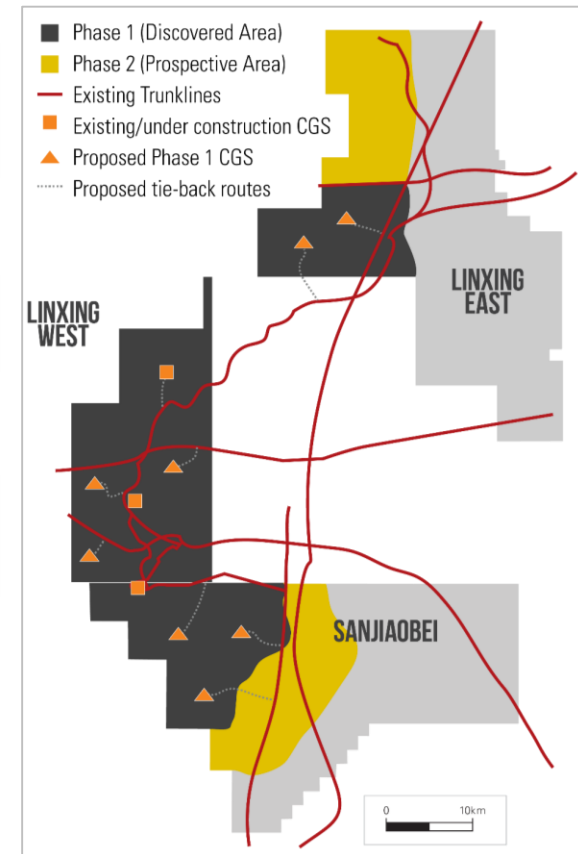
- Anticipated ODP approvals in 2018 for both PSCs
- Phase 1 Plateau targeted in 2022

Type Curves¹

- **Deviated:** Current: 1.2 Bcf EUR
Upside: >2 Bcf EUR
- **Horizontal:** 4 Bcf EUR

Production Plateau²

- Phase 1: 350 - 550 MMscf/d (~60 - 90 mboe/d)
- Phase 2: 550 - 750 MMscf/d (~90 - 125 mboe/d)
- Potential for upside
- Linxing ~70% of gross plateau production



Surface and Sub-Surface View

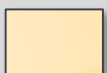
Pad drilling minimises footprint and cost

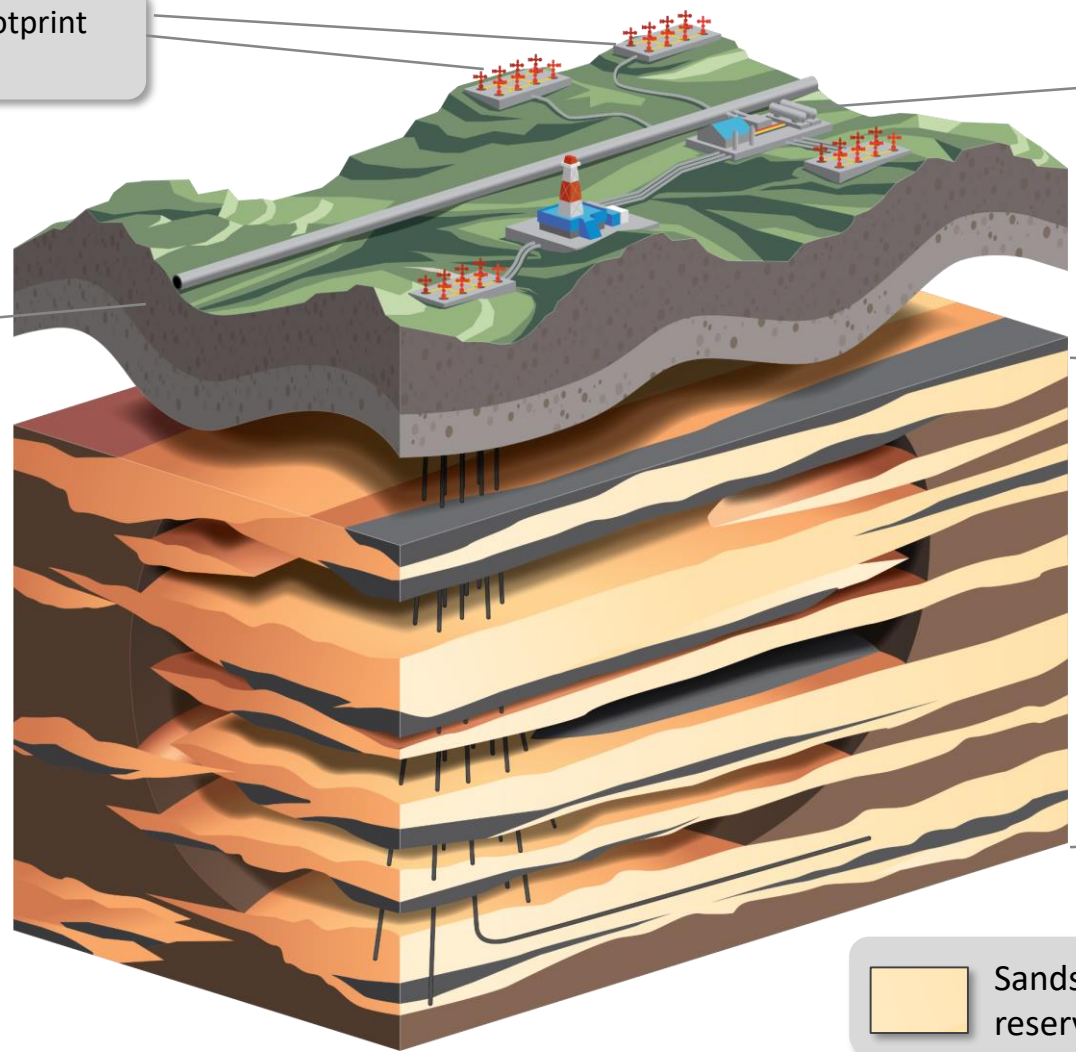
Modular, low cost expansions of CGS as production ramps up

Multiple gas offtake routes for each CGS targeted

Deviated and horizontal wells on the same pad

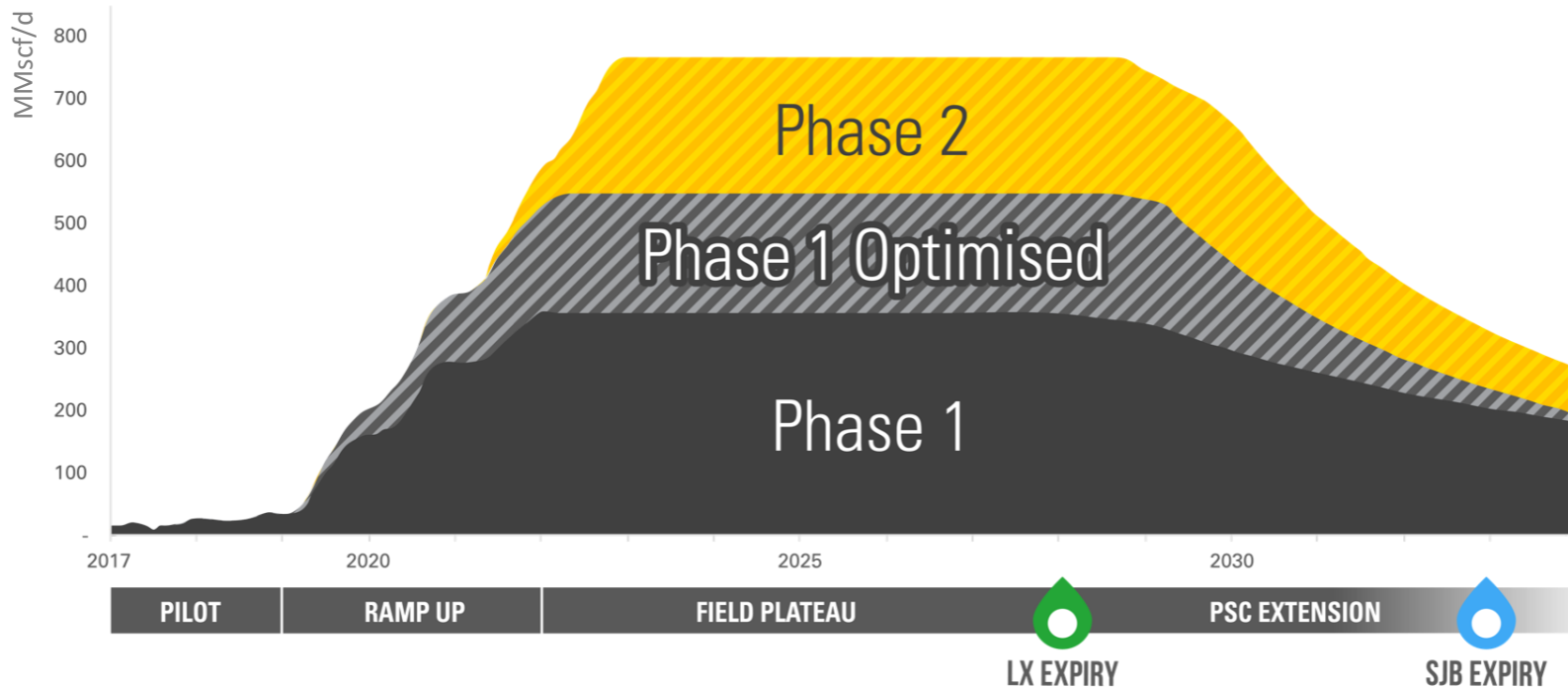
Multiple zones targeted simultaneously

 Sandstone reservoirs



Significant Production Growth

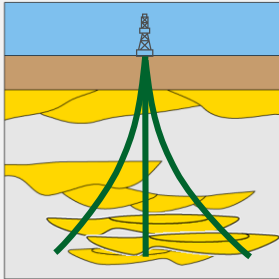
~2-4% of China's domestic gas supply at plateau¹



- **Phase 1** Discovered area of 1,131 km², current type curves
 - **Optimised** Potential additional productivity from identified optimisations
 - **Phase 2** Low Risk prospective area, 467km²
- PSC extension would capture further volumes beyond current PSC expiry – discussions underway

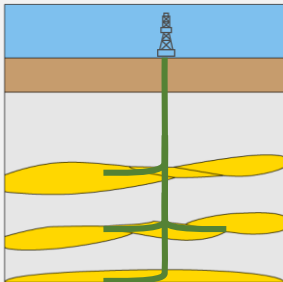
Wells tailored to reservoir characteristics to maximise production

Well Type 1: Deviated Wells



- ~150 deviated wells drilled and tested to date
- Exploit multiple stacked sands
- Multi-zone / dual completions maximises productivity
- ~90% of expected well count

Well Type 2: Horizontal / Multilateral Wells



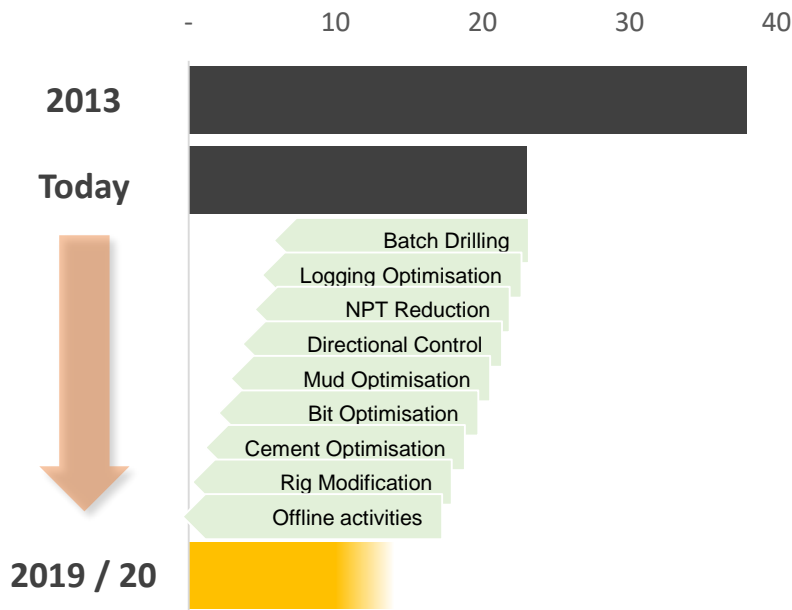
- 4 horizontals drilled and tested to date
- Target thick, laterally extensive sands delineated by deviated wells
- Higher EUR to cost ratio drives robust economics
- Multilaterals where there are stacked thick sands
- ~10% of expected well count

Pad drilling drives efficiencies and minimises footprint

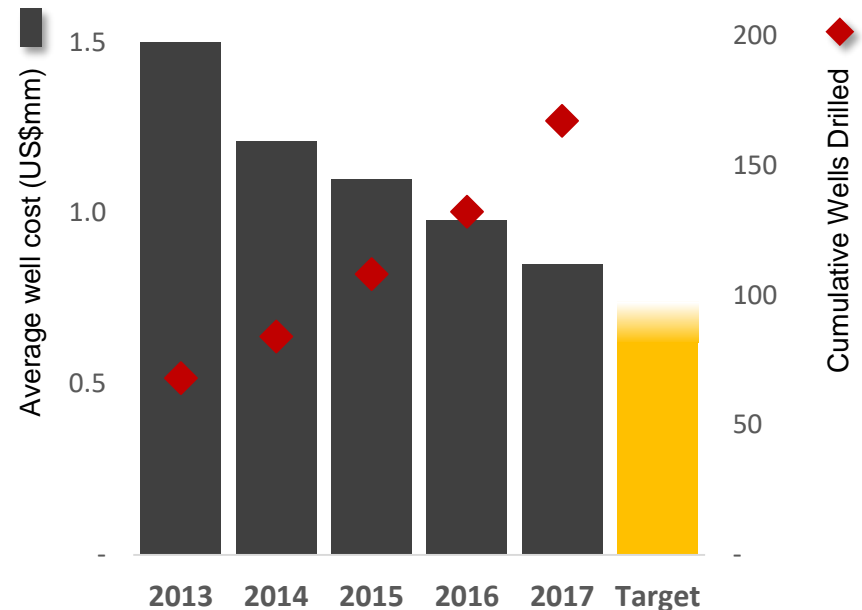
Strengthening Low Cost Advantage

Further efficiencies identified to further drive down costs

Average days per deviated well¹



Deviated well costs reduced by half (2013-2017 YTD)²



Demonstrated capability to reduce well costs, ~75% total project capex

Proven Technology Application

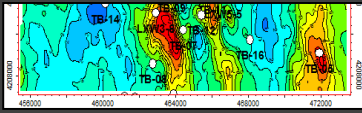
Lowering costs, increasing recovery and productivity

Focus Areas

Key Technologies

Deployed

Planning to implement



Subsurface

- Seismic amplitude mapping
- Channel sweet spot identification through well-log modelling
- Advanced geological modelling and sand prediction



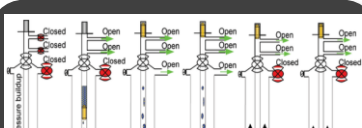
Drilling

- Horizontal drilling technology
- Batch drilling
- Slim hole drilling



Completions

- Dual Completions to manage varying gas pressures between reservoir units
- Coilfrac, perf and plug, casing sleeve
- Slick water/low gel fracking

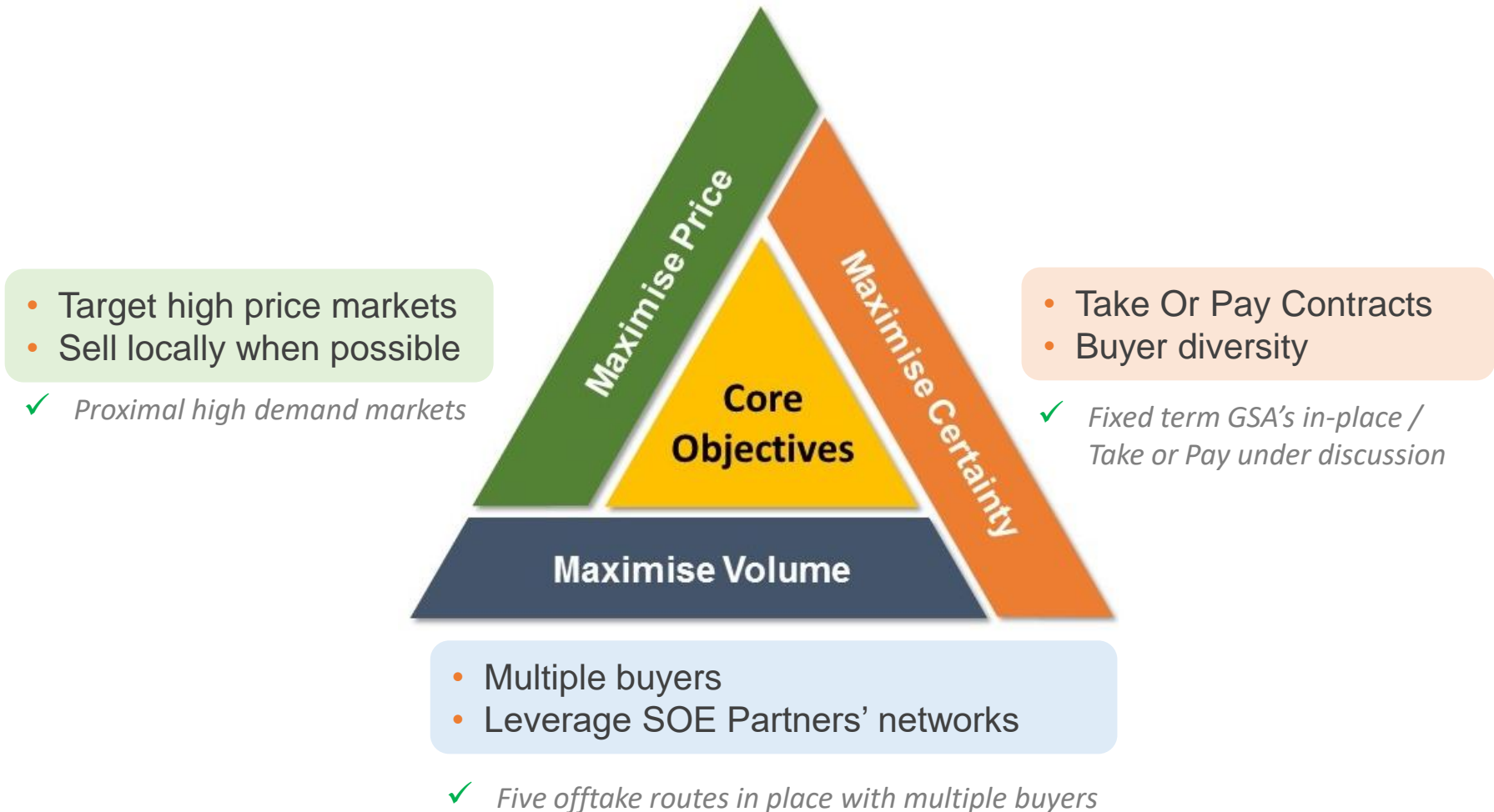


Production

- Remotely controlled production systems
- Pressure control via downhole choke, automatic shut-in safety device
- Plunge and/ or velocity string to lift water

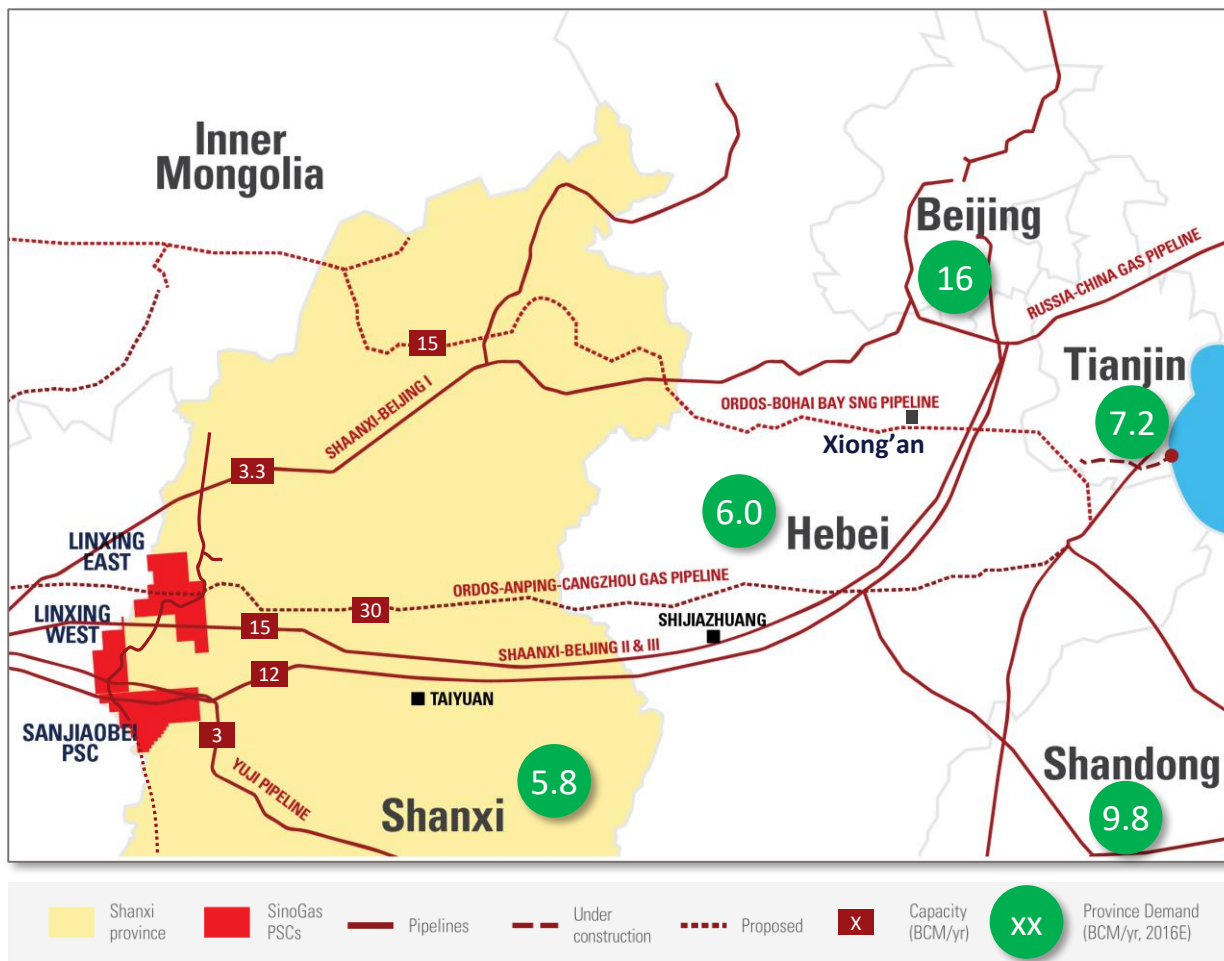
Established Gas Marketing Strategy

Strong relationships with partners and multiple buyers



Large Markets with Diverse Buyer Universe

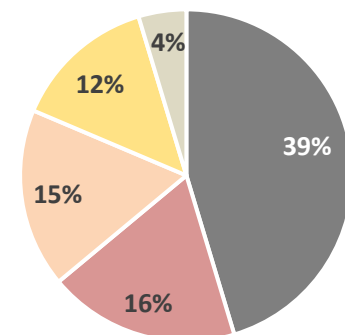
Regional demand expected to double by 2025¹



- Extensive and growing pipeline network
- Proximal, large and growing demand centres, with ~330 million people
- Diverse universe of gas buyers



End users¹:



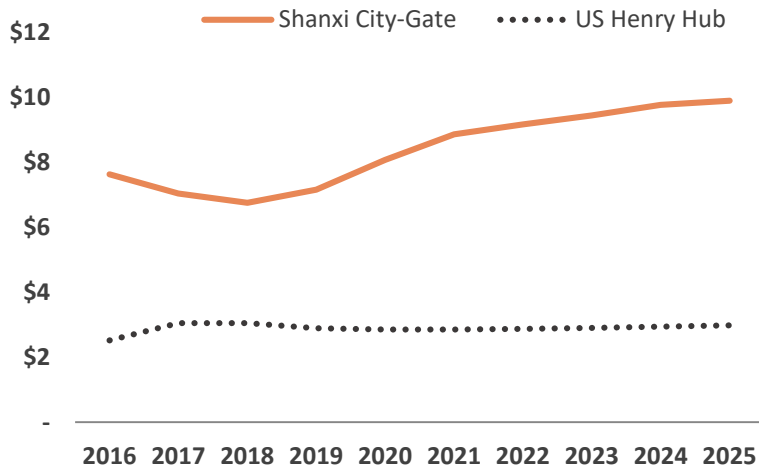
1. Source: IHS Markit, China's Provincial Gas Demand and National Supply Outlook, August 2017, Target markets defined as Shanxi, Shandong, Hebei, Beijing, Tianjin and Henan, doubles between 2015 and 2025.

2. Map source: SIA Energy, October 2017, major pipelines only

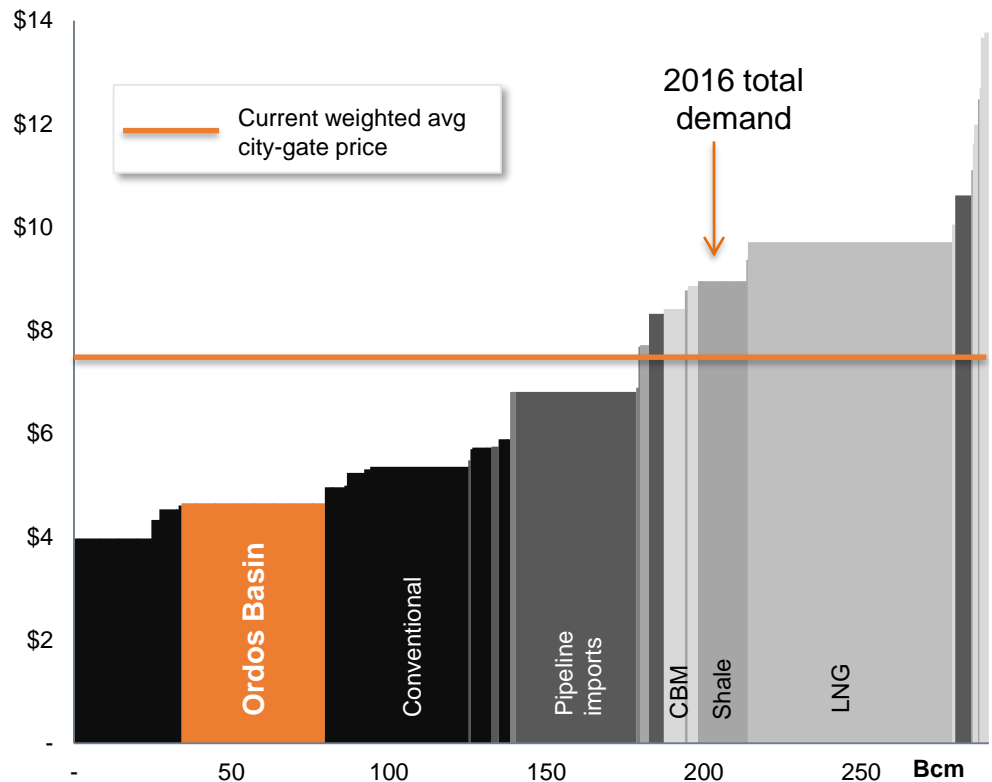
Low Cost, Robust Prices Drive High Margins

One of the lowest cost natural gas producers in China

Shanxi City-Gate vs. US Hub Prices¹
US\$/mmbtu



Cost of Supply at City Gate, 2020E
US\$/mmbtu (including transportation)²

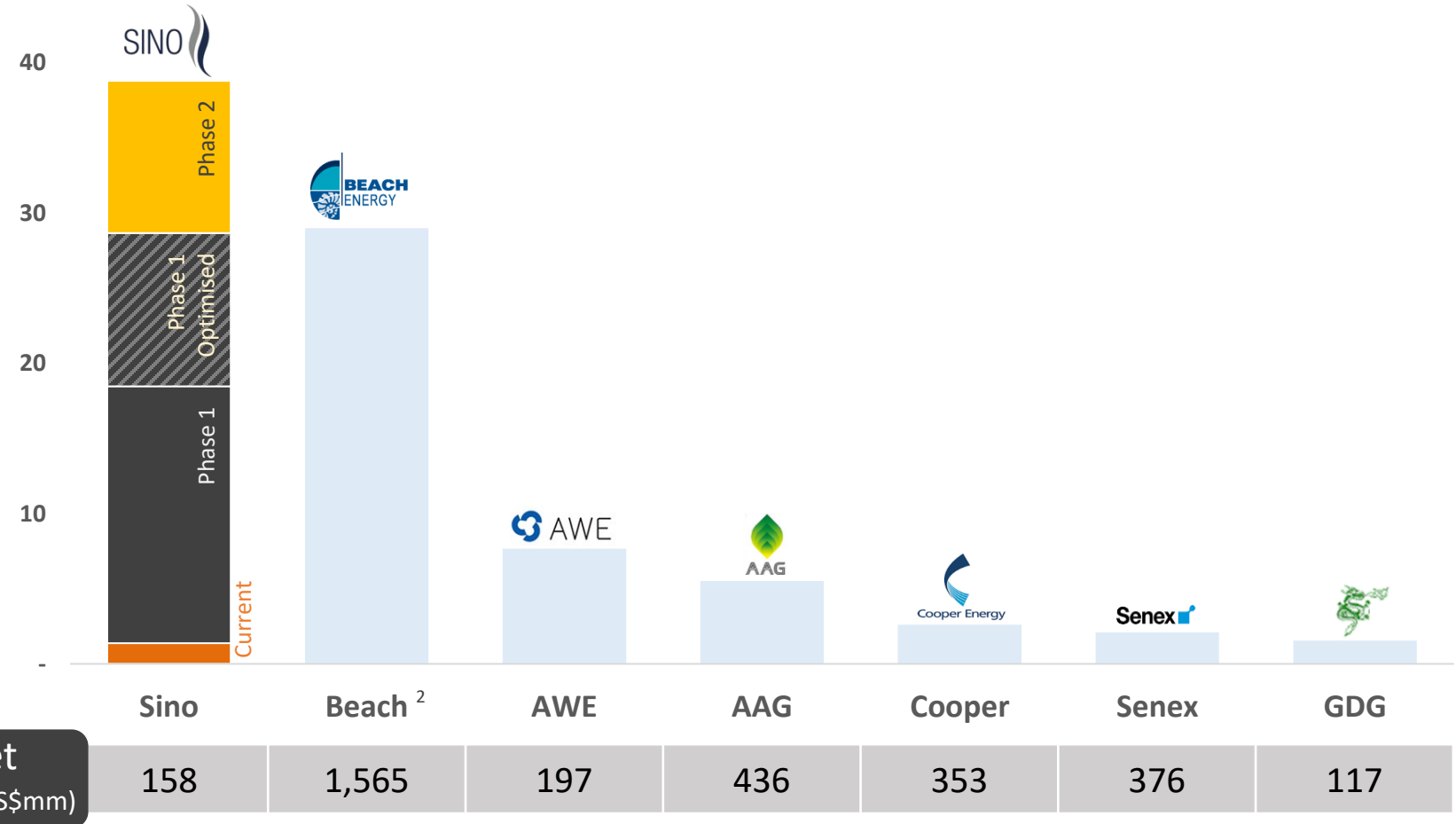


- Targeting full-cycle Opex + Capex less than US\$2/Mscf³
- Low cost drivers:
 - Simple development, limited fracking
 - Moderate reservoir depths (~1,200-2,000m)
 - Stacked reservoirs
 - Export quality gas (~95% methane)
 - Proximity to pipeline infrastructure

Stand-out Production Growth

Targeting to be one of the largest producers in the peer group

Production of Select Peers¹
mboe/d



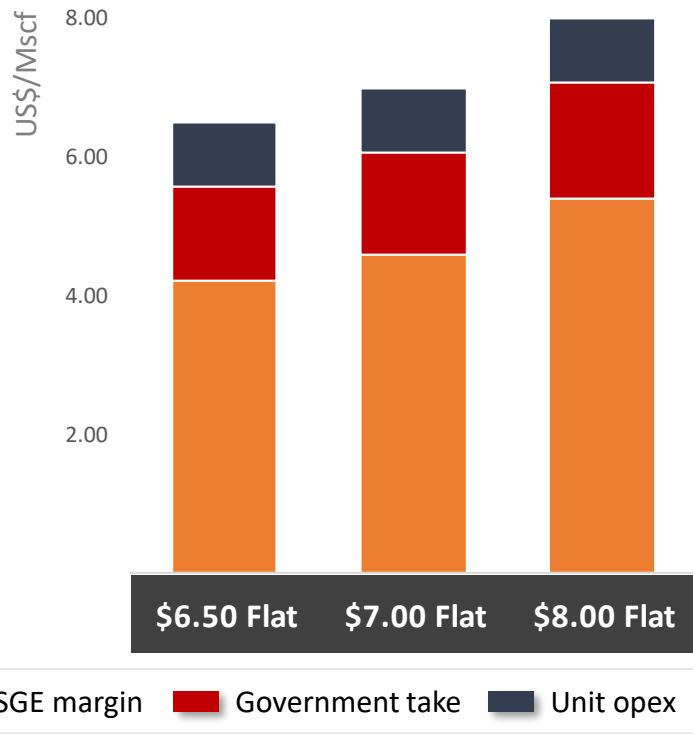
Market Cap (US\$m)

¹ Source: Peer Production: Company Reports – Full year average as of most recent annual report as of October 2017. Sino Gas current production middle of 2017 guidance of 16-18 MMscf/d gross; Net working interest production shown; Refer to slide 11 for additional details of Sino Gas projected production growth; Mscf:boe conversion 6:1; Market cap: Source Factset, as of 25 October 2017
² Beach shown pre Lattice acquisition

High Cash Margins

Low cost advantage and attractive PSC terms drive robust cash generation

Investment Phase Margins⁵:

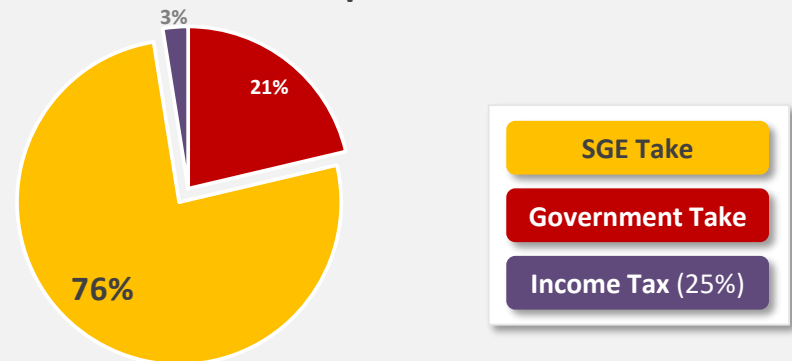


- Favourable PSC terms result in significant share of revenue
- Cost-reduction culture and increased scale expected to reduce unit opex by ~40%
- Rapid single well cost payback, under 0.2 Bcf break-even volume
- High cash margins underpin attractive full cycle returns

Single deviated well:

| Payback | months | 12 | 11 | 9 |
|------------------|--------|------|------|------|
| IRR ⁴ | % | 116% | 139% | 193% |

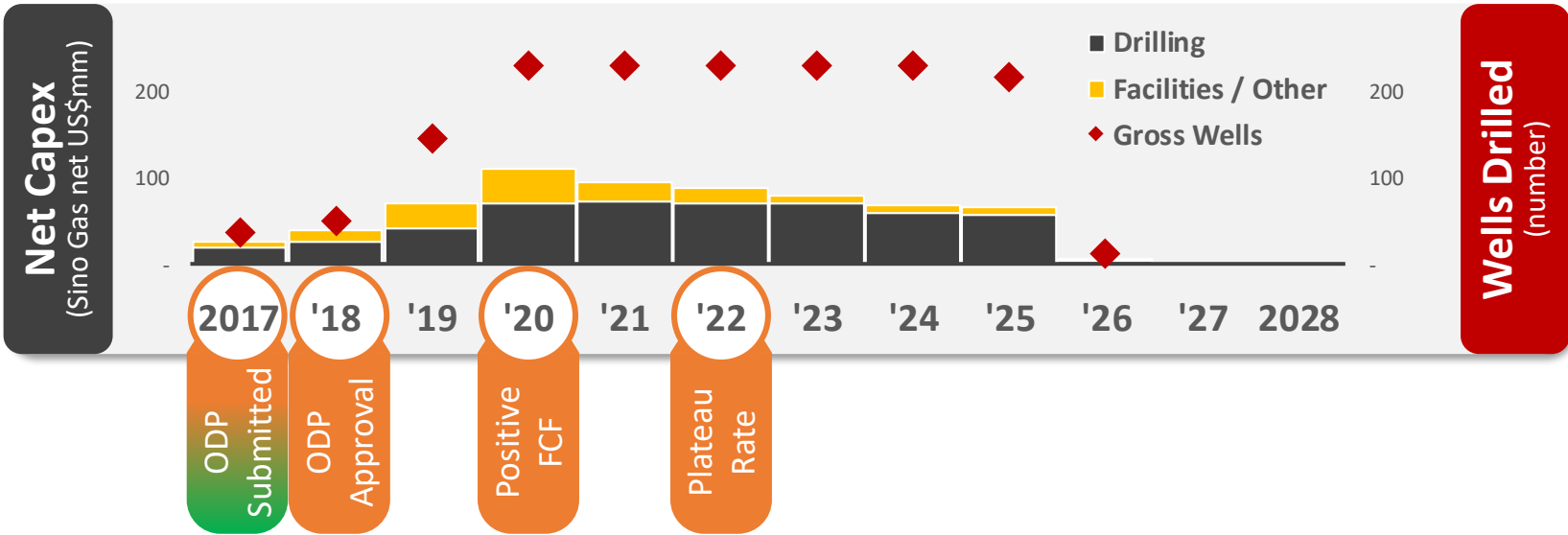
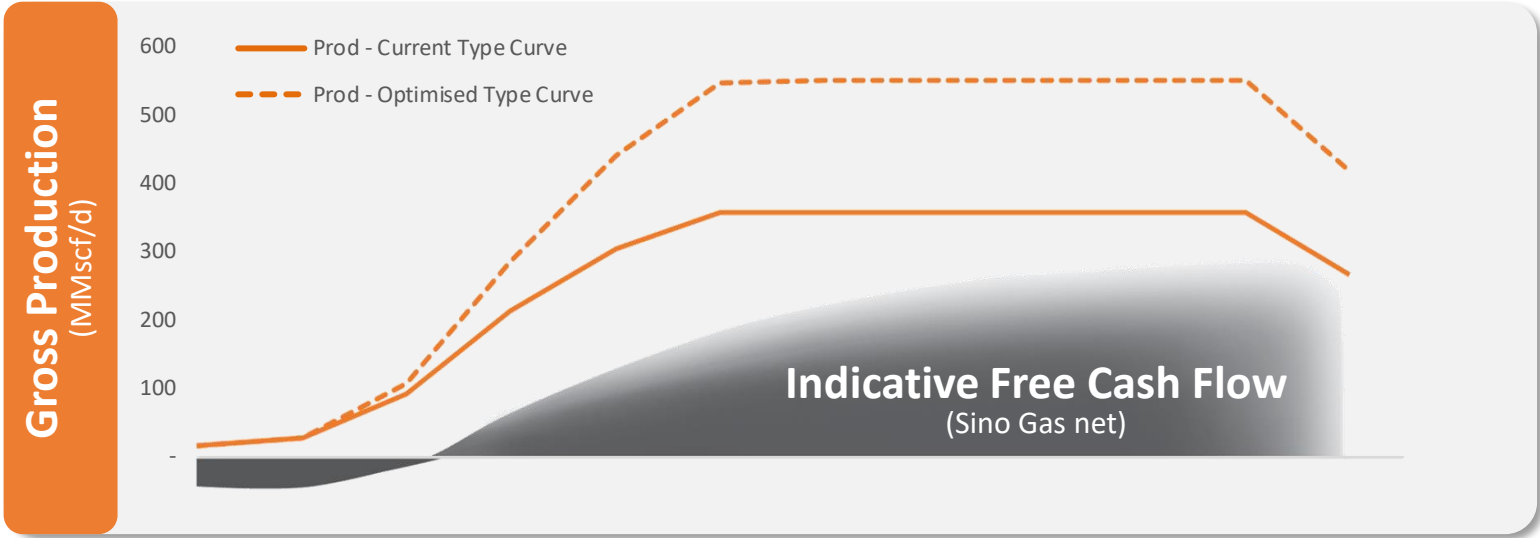
PSC Gross Revenue split: Investment Phase



Targeting Significant Free Cash Flow

Cash flow from operations reinvested to fund growth

PHASE 1



1. Based on J Energy estimates, refer to disclaimer statement slide 24
 2. All production numbers are gross field
 3. Development plan is indicative only and not guidance, and remain subject to any necessary regulatory approvals and applicable investment decisions

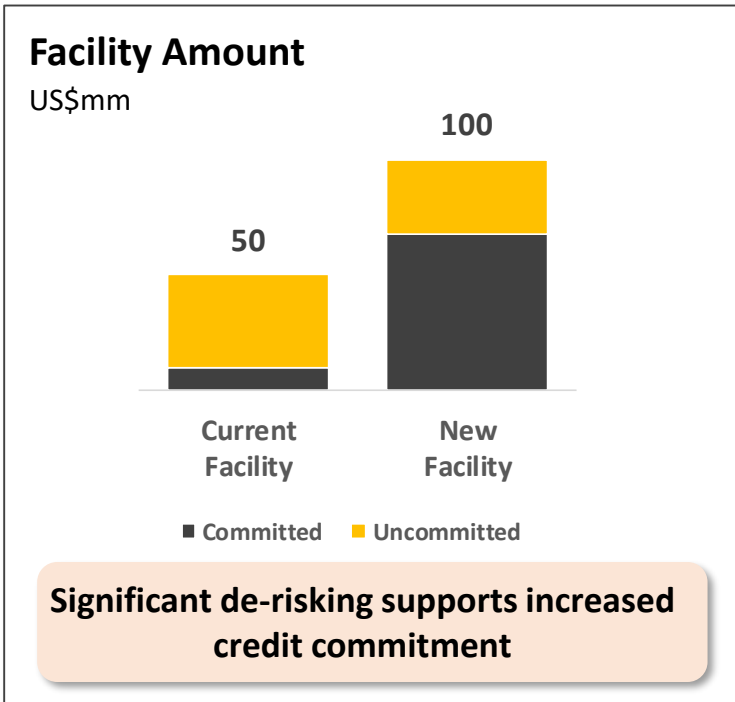
Project Development Funding Secured

New five-year, US\$100 million debt facility

Multiple sources of liquidity:

- US\$35mm cash at 30th September¹
- Cash flow from operations
- US\$100 million Macquarie debt facility

- Leveraged Macquarie relationship to secure competitive committed pre-ODP financing
- Committed amount expected to fund development plan
- Uncommitted amount provides further optionality²
- Subject to final transaction documentation and customary conditions precedent



Key Terms

- Refinance existing facility, project development, exercise Linxing Option
- 5 Year, senior secured non-revolving
- US\$68mm committed / US\$32mm uncommitted
- Pre-ODP = LIBOR + 8.2%
Post-ODP = LIBOR + 6.5%
- No pre-payment penalty



Selected Pictures



Material progress towards unlocking significant value and returns



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Funding secured for development

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ODP approvals nearing completion

- First Linxing ODP submitted, Sanjiaobei submission targeted Q4 2017
- Production ramp-up in parallel with ODP approvals

Sino Gas & Energy Holdings Limited (“Sino Gas” ASX: SEH) is an Australian energy company focused on developing natural gas assets in China. Sino Gas holds a 49% interest in Sino Gas & Energy Limited (“SGE”), the operator of the Linxing and Sanjiaobei Production Sharing Contracts (PSCs) in the Ordos Basin, China's largest gas producing basin. SGE has been established in Beijing since 2005 and is jointly owned with China New Energy Mining Limited (“CNEML”) via a strategic partnership.

SGE’s interest in the Linxing PSC with CUCBM (a CNOOC wholly-owned subsidiary) is 70% and 49% for the Sanjiaobei PSC held with PCCBM (a Petrochina wholly-owned subsidiary). SGE has a 100% working interest during the exploration phase of the PSC, and SGE’s PSC partners are entitled to participate upon Overall Development Plan (ODP) approval up to their PSC working interest by contributing their future share of costs.

Sino Gas also holds an option to acquire a 5.25% participating interest from SGE (assuming full SOE partner participation) in the Linxing PSC at ODP by contributing 7.5% of historical back costs to SGE. Upon exercise of the option, Sino Gas will hold the largest net working interest in the Linxing PSC.

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. Whilst the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove correct or that the outcomes indicated in the Development Plan will be achieved. Production profile, plateau rates and other conceptual development plan parameters are indicative only and not guidance, and remain subject to any necessary regulatory approvals and applicable investment decisions.

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 gas prices, exploration, acquisition, development and operating risks, gas production rates, the costs associated with producing these volumes, access to product markets, product prices, competition, production risks, regulatory restrictions, including environmental regulation and liability, potential title disputes and additional funding requirements. Further, despite the Company having attempted to identify all material factors that may cause actual results to differ, there may be other factors that cause results not to be as anticipated, estimated or intended. 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 (or as otherwise specified) 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.

The purpose of this presentation is to provide general information about the Company (it is in summary form and does not purport to be all inclusive or complete). No representation or warranty, express or implied, is made by the Company that the material contained in this presentation will be achieved or prove to be correct. Except for statutory liability which cannot be excluded, each of the Company, its officers, employees and advisers expressly disclaims any responsibility for the accuracy or completeness of the material contained in this presentation and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission therefrom.

This presentation should be read in conjunction with the Annual Financial Report as at 31 December 2016, 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). This document is protected by copyright laws.

Reserves and Resources

The statements of resources in this release have been determined to Society of Petroleum Engineers (SPE) Petroleum Resource Management Systems (PRMS) standards.

The reserves and resources (as per below table) have been independently determined by internationally recognised oil and gas consultants RISC Operations Pty Ltd (RISC) (refer to announcement of 6 March 2017) using probabilistic and deterministic 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.

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 (i.e. CUCBM take their entitlement of 30% interest in Linxing PSC and CNPC take their entitlement to 51% in the Sanjiaobei PSC) and does not include Sino Gas' option to acquire an interest of 5.25% in the Linxing PSC (by paying 7.5% of back costs) which was purchased in April 2017 (after the assessment date), rather it assumes exercise by a third party. 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 material assumptions that would materially impact the reserves and resources as per the table below and subsequent work program exploration and appraisal results have been in line with expectations.

Information on the Reserves and Resources in the table below 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.Engin Petroleum Engineering and 30 years of experience in the oil and gas industry. Mr. Stephenson is a member of the SPE and MICHemE and is a qualified petroleum reserves and resources evaluator (QPPRE) as defined by ASX listing rules. Mr Stephenson has consented to the form and context in which the estimated reserves and resources and the supporting information are presented in the table below. RISC is independent with respect to Sino Gas in accordance with the Valmin Code, ASX listing rules and ASIC requirements.

Sino Gas' Attributable Net Reserves & Resources as at 31 December 2016

| SEH Attributable Net Reserves & Resources | 1P Reserves (Bcf) | 2P Reserves (Bcf) | 3P Reserves (Bcf) | 2C Contingent Resources (bcf) | P50 Prospective Resources (bcf) |
|--|-------------------|-------------------|-------------------|-------------------------------|---------------------------------|
| 31 December 2016 (Announced 6 March 2017) | 385 | 579 | 778 | 899 | 821 |
| 31 December 2015 (Announced 10 March 2016) | 362 | 552 | 751 | 814 | 733 |
| Total 2016 Change (+/-%) | +5% (2P) | | | +10% | +12% |
| Gross Project 31 December 2016 | 1,377 | 2,147 | 2,951 | 3,171 | 3,499 |

Note 1. The estimated quantities of petroleum that 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. The probability of development of the contingent area is estimated to be 90%, with the additional probability of geological success assigned to prospective resources estimated to be 60-80%.

Development Plan Review

Sino Gas and Energy Holdings Limited have commissioned Beijing J-energy Company Limited (J-Energy) to provide technical advisory services. The review, and the production information and economic assumptions contained in this release relating to the review, for the purposes of the conceptual development plan is based on, and fairly represents, data and supporting documentation prepared by, or under the supervision of Mr Jin Po Dong and Mr Frank Fu. The review assumes PSC partner back-in upon ODP approval (i.e. CUCBM take their entitlement of 30% interest in Linxing PSC and CNPC take their entitlement to 51% in the Sanjiaobei PSC) and the exercise of Sino Gas' option to acquire an interest of 5.25% in the Linxing PSC (by paying 7.5% of back costs) which was purchased in April 2017. Mr Dong is a Vice-President of J-Energy Ltd and has a Bachelor of Petroleum Engineering from South West Petroleum University of China, has over 20 years of industry experience and is a member of the Society of Petroleum Engineers (SPE). Mr Fu is the Chief Operating Officer of Sino Gas & Energy Holdings Limited, holds a Bachelor of Science degree in Geology and Exploration, and has over 25 years of relevant experience in both conventional and unconventional hydrocarbon exploration & production in China and multiple international basins and a member of the Society of Petroleum Engineers (SPE). Such statements were issued with the prior written consent of Mr Dong and Mr Fu in the form and context in which they appear. The statements and opinions attributable to J-Energy are given in good faith and in the belief that such statements are reasonable and neither false nor misleading. J-Energy has considered and relied upon information obtained from the Company and information in the public domain. J-Energy has no pecuniary interest, other than to the extent of the professional fees receivable for their engagement, or other interest in the assets evaluated, that could reasonably be regarded as affecting our ability to give an unbiased view of these assets.

Financial Terms

This presentation contains terms commonly used in the oil and gas industry which are not defined by or calculated in accordance with International Financial Reporting Standards ("IFRS"), such as margin and free cashflow, which are non-IFRS measures. These terms should not be considered an alternative to, or more meaningful than the comparable measures determined in accordance with IFRS. The measures provide additional information to evaluate the conceptual development plan. The non-IFRS measures have not been subject to audit or review by Sino Gas' external auditors. Sino Gas' determination of these measures may not be comparable to that reported by other companies.

Definitions

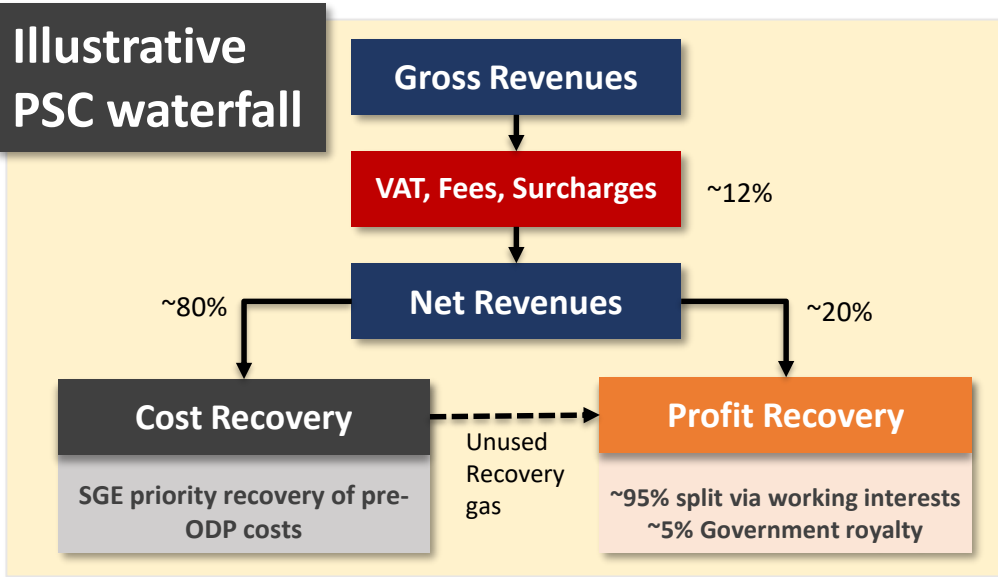
Bcf – billion cubic feet
BOE – barrels of oil equivalent
CGS – Central gathering station
CNEML – China New Energy Mining Limited – 51% owner of SGE
CRR – Chinese Reserve Report
CUCBM – China United Coal Bed Methane, subsidiary of China National Offshore Oil Company (CNOOC), PSC Partner in Linxing PSC
EUR – Estimated Ultimate Recovery
GIIP – Gas Initially in Place
GSA – Gas Sales Agreement
HSE – Health, Safety and Environment
IRR – Internal Rate of Return
JMC – Joint Management Committee
Mboe/d – thousand barrel of oil equivalent per day
mm – million
MMbtu – Million British Thermal Units
MMscf/d – Million standard cubic feet per day
Mscf/d – Thousand standard cubic feet per day
NDRC – National Development and Reform Commission
ODP – Overall Development Plan
PCCBM – PetroChina CBM, subsidiary of PetroChina, PSC Partner in Sanjiaobei
PSC – Production sharing contract
SGE – Sino Gas Energy Limited – Sino Gas' 49% owned Joint Venture Company
SOE – State Owned Enterprise
Tcf – trillion cubic feet
ToP – Take or Pay
YOY – Year on Year

Approximate conversion factors ¹

1 barrel of oil equivalent (boe) = 6 thousand standard cubic feet gas (Mscf)
1 billion cubic meter (bcm) = 35.3 billion cubic feet (bcf)
1 BCM/annum = 0.1 bcf/d
1 million ton LNG = 48 bcf gas
1 US dollar (US\$) = 6.6 Chinese Renminbi (RMB)
1 RMB/meter cubed = US\$4.26/Mscf (at 6.6RMB/US\$)
1 million tonnes oil equivalent (mmtoe) = 39.2 bcf
1 million british thermal units (mmbtu) = 0.99 Mscf
1 bcf natural gas generates aprox. 112 gigawatt hours of electricity (in a modern power plant)
1 tonne of coal equivalent (tce) = 0.7 tonnes of oil equivalent (toe) = 27 Mscf gas

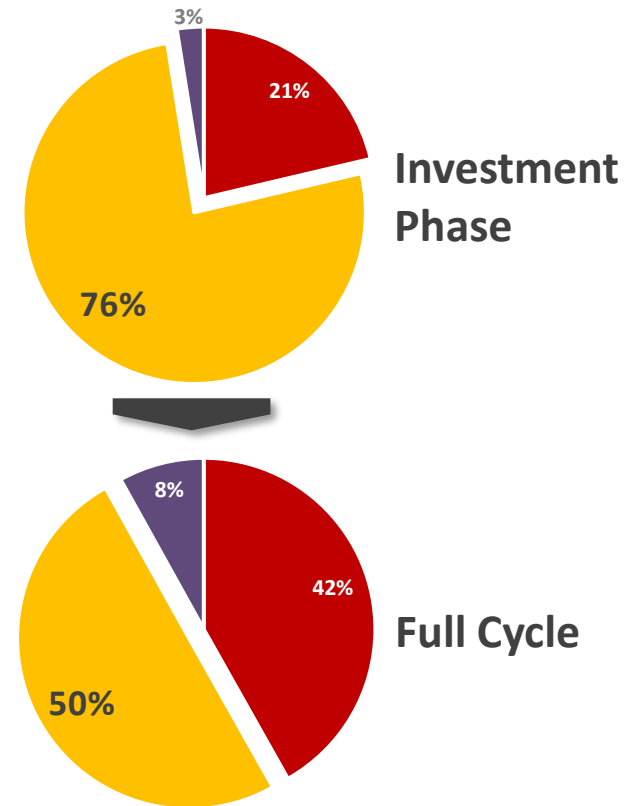
APPENDIX

Illustrative PSC waterfall

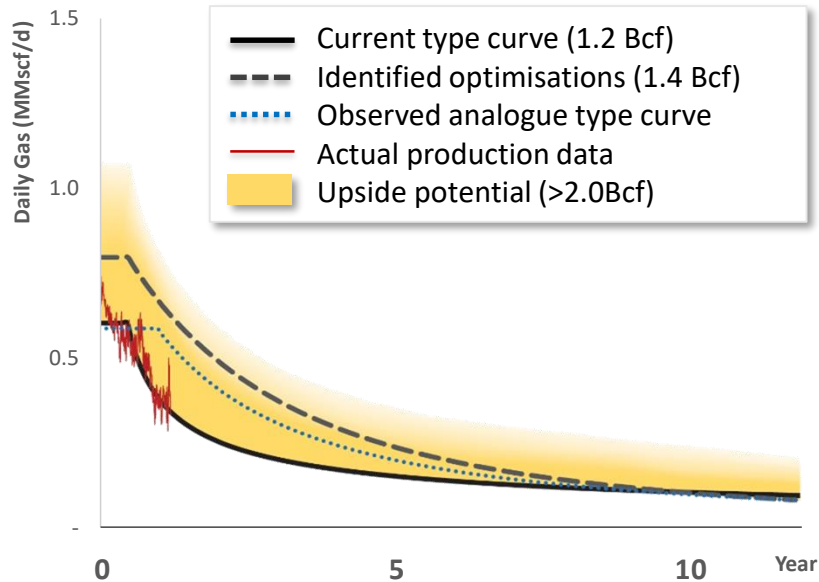


- China attractive fiscal and regulatory regime
- Accelerated Cost Recovery provides immediate cash flow to contractor
- Supports funding of investment phase
- Full cycle take attractive by global standards

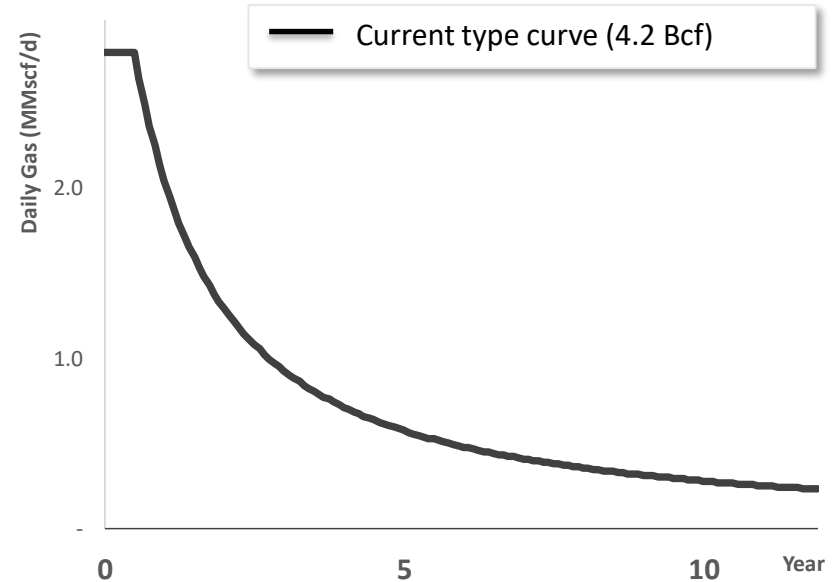
Gross Revenue splits¹



Deviated Wells



Horizontal Wells

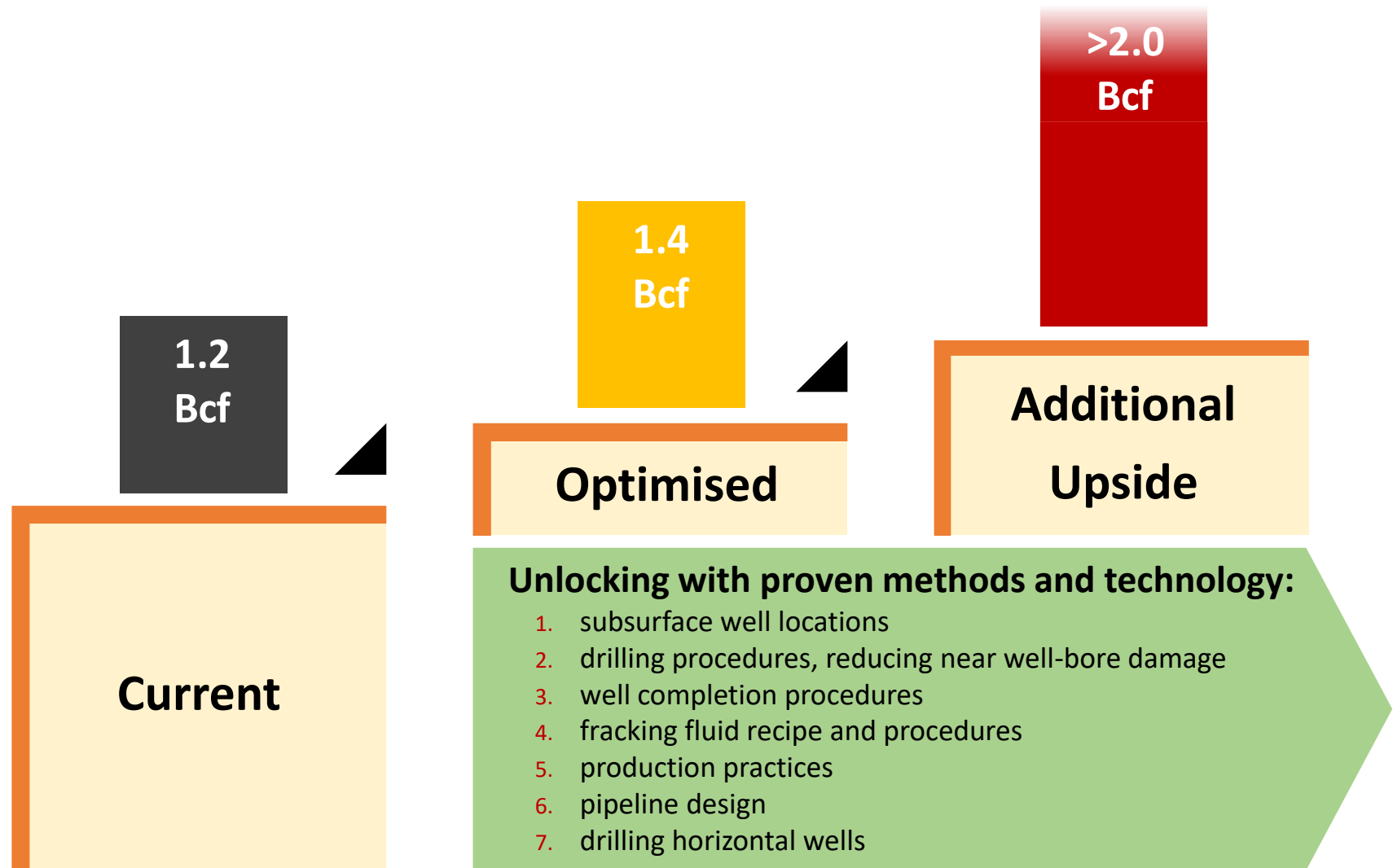


- Current curve modelled from ~50 production wells
- 150 wells drilled with over 163 well tests
- Initial rates ~1-1.5 MMscf/d choked back to maximise recoveries
- Third Party subsurface review completed by J Energy

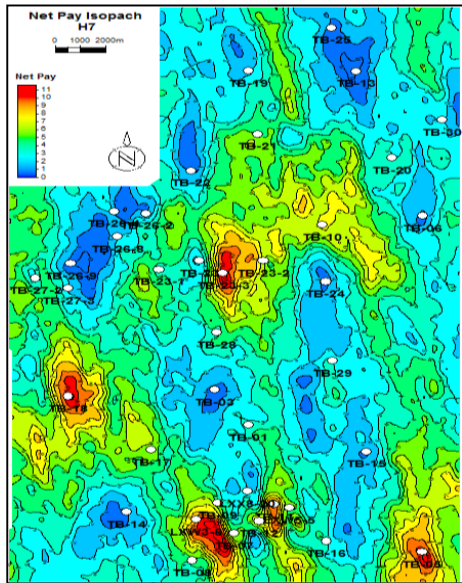
- Four horizontal wells, test rates up to 4.5 MMscf/d
- Target highly productive, laterally continuous sands
- Initial rates of ~4.5 MMscf/d choked back to maximise recoveries
- TB-1H delivered over 1Bcf in 22 months

Type Curve with Significant Upside

Identified optimisations accelerate production and increase EUR

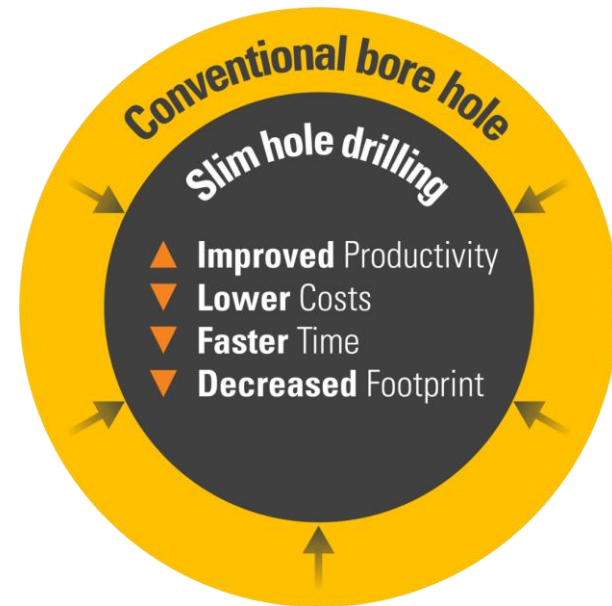


SUBSURFACE



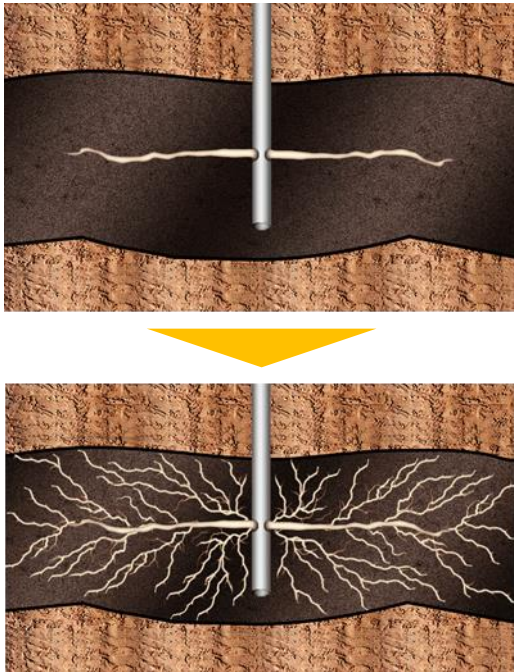
- Identify sweet spots using advanced modelling and amplitude analysis

DRILLING



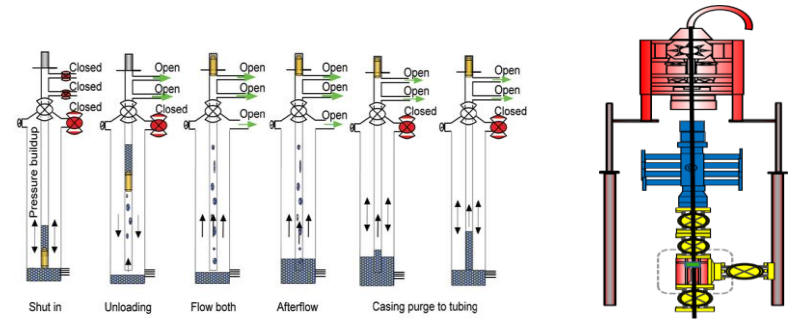
- Slim hole drilling drives increased productivity, lower costs and reduces environmental impact

COMPLETION



- Frac optimization results in improved well EUR and productivity

PRODUCTION



Plunger Lifting

Velocity String

- Improved liquids handling offsets production decline

Strong Strategic Partnerships

- **SGE – Joint Venture Subsidiary**

 - PSC Operator partnered with major State Owned Enterprises (SOE) with extensive field development experience

- **China New Energy Mining Ltd**

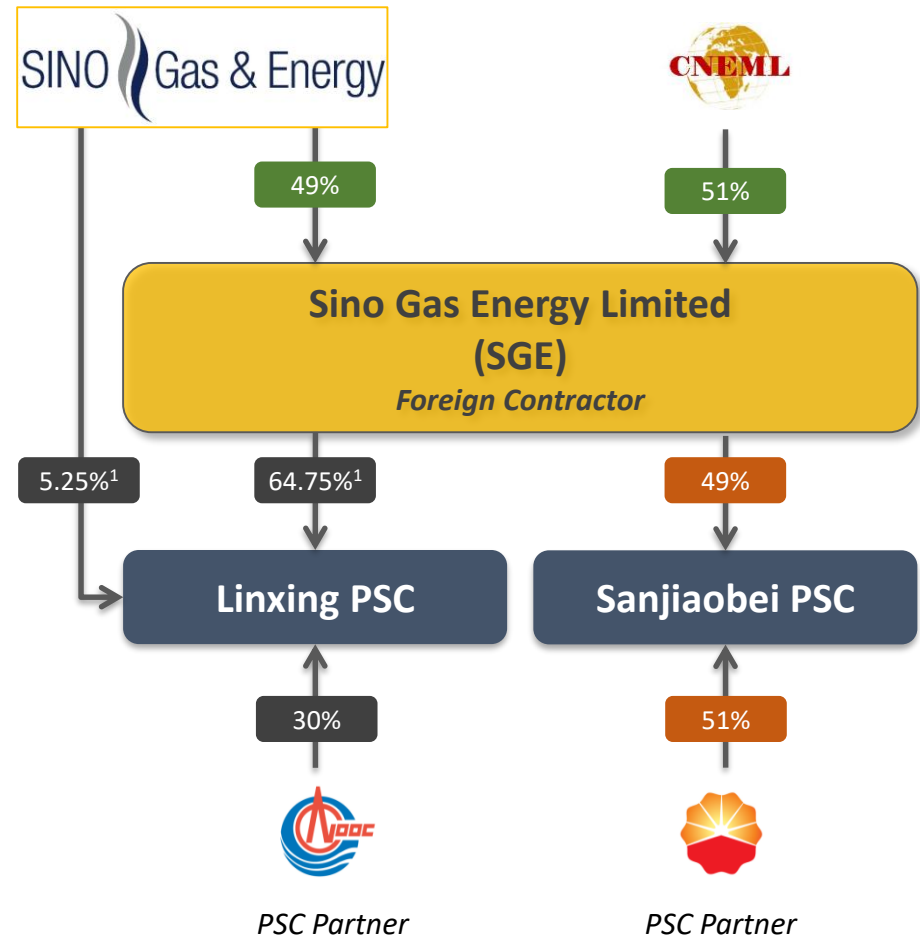
 - Well funded private Hong Kong company with strong China and international oil and gas expertise, strong China backing

- **CUCBM – Linxing PSC Partner**

 - 100% owned subsidiary of CNOOC with an extensive international presence including in unconventional resources

- **PetroChina – Sanjiaobei PSC Partner**

 - Subsidiary of CNPC, China’s largest oil and gas producer





Investor Relations

+86 10 8458 3001

1300 746 642 (local call within Australia)

ir@sinogasenergy.com