



Annual General Meeting

Fuelling China's Clean Energy Future

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2017 Accomplishments



Record Production

Evited 25 MMscf/d, av

Exited 25 MMscf/d, averaged 17 MMscf/d near triple 2016 ¹

ODPs submitted for approval

Approval expected for first Linxing and Sanjiaobei ODPs 1H2018

Development Plan released

 Targeting significant free cash flow from 2020, with gross production of 350 to >550 MMscf/d by 2022 ²

Value generation

- Up to ~17% increase in Sanjiaobei gas price
- Purchased option to increase Linxing working interest

Strong financial position

- US\$100 million Macquarie debt facility finalised, securing project funding
- Net margins of US\$3.70/Mscf (A\$4.80/Mscf ³), >2.5x 2016 ⁴

2017 share price performance

Ended year up 35%, outperforming ASX 300 and China gas peers 5 by 28% and 66%

Significant progress sets solid foundation for future production and cash generation

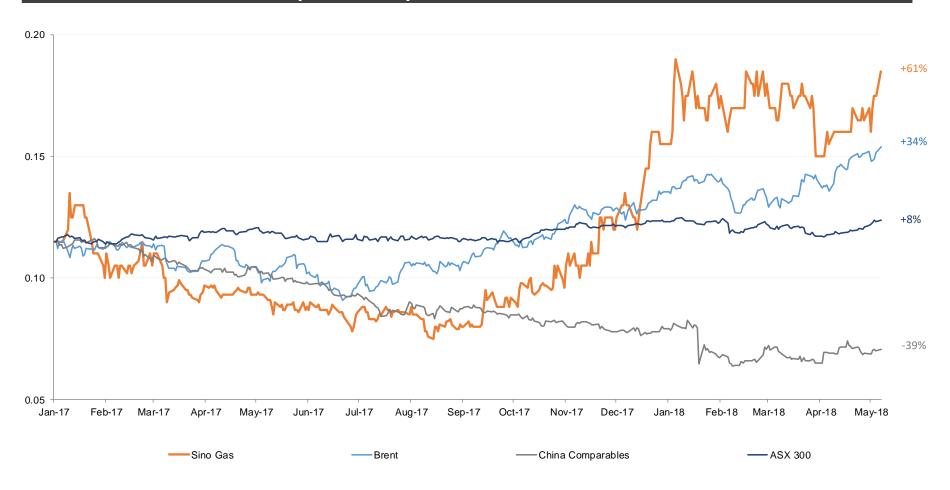
January 2017 – May 2018 Share Price Performance



Stock has outperformed key indices on strong volumes

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January 2017 – May 2018 Share Price Performance ²



Unique and Compelling Value Proposition



Well positioned to unlock significant value and returns



World scale, substantial production & cash flow targeted

- 5.3 Tcf gross project discovered resources 2.1 Tcf 2P & 3.2 Tcf 2C ¹
- 350 to >550 MMscf/d with significant Free Cash Flow targeted from 2020²



Well positioned in attractive China gas market

- Gas demand forecast to triple by 2030 ³
- Ready access to infrastructure & proven gas marketing strategy



Low cost production underpins strong margins

- One of China's lowest cost producers, targeting <\$2/Mscf⁴
- Forecast well-head prices US\$6.50 \$9.00+/Mscf⁵



Funding secured for development

• Existing cash, cash flow from operations and US\$100m Macquarie facility ⁶ funds development



ODP process well advanced

- First ODPs submitted, in-principle approvals received, final approvals targeted in 1H 18
- Production ramp-up with ODP approvals



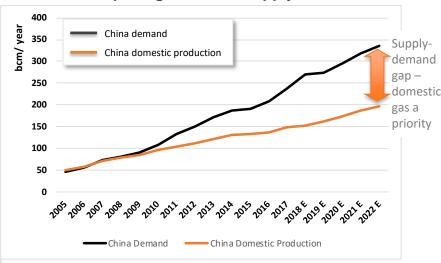
Serving China's Large, Fast Growing Gas Needs



Tripling of gas demand expected by 2030 ¹

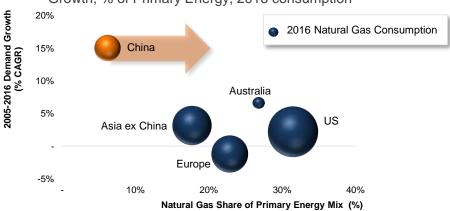
- Demand growth up 17% in Q1 2018, continuing exceptional 2017 trend²
- Long-term fundamentals remain strong
- Continued substantial coal-to-gas switching program
- Tackling air pollution a key government priority
- Robust gas prices underpinned by high marginal cost of supply
- China targeting gas 10% of the primary energy mix by 2020, 15% by 2030 ¹

Demand outpacing domestic supply 3



China vs. world natural gas demand ⁴

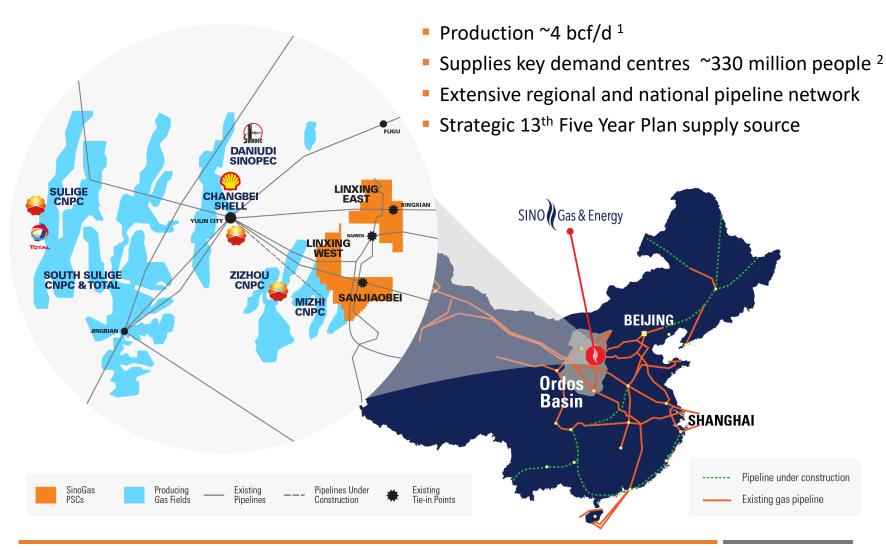
Growth, % of Primary Energy, 2016 consumption



Sino Gas Ideally Positioned in Ordos Basin



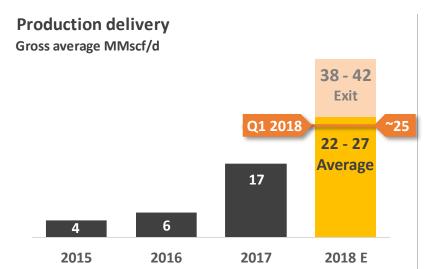
China's most prolific gas basin, a strategic supply source



Continuing Production Growth

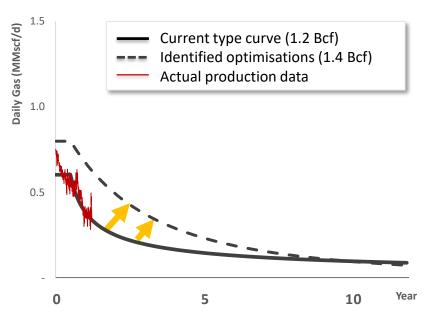


Targeting gross YE exit rate of 38 – 42 MMscf/d, driving continuous improvement





Technology driving improved well performance



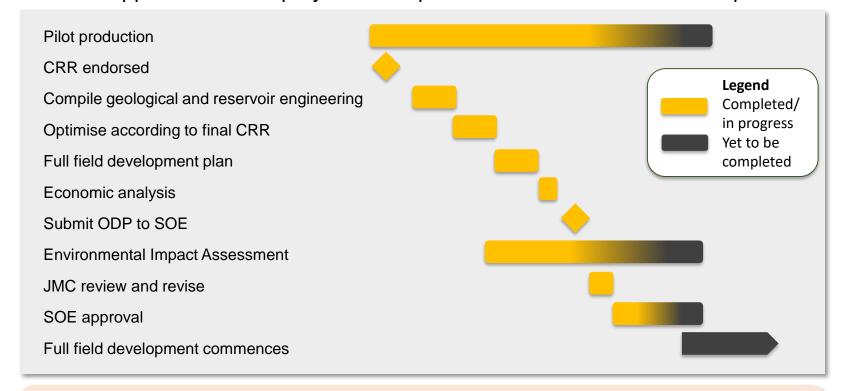
- Technology focus areas:
 - Well design and placement
 - Fracture design
 - Completion technology

Overall Development Plan Process



ODP approvals on track for 1H 2018

- In-principle approval received for first Linxing and Sanjiaobei ODPs
- ODP approval de-risks project and represents start of full field development



Five-Year Energy Plan supportive of Natural Gas
Shanxi government prioritising Sanjiaobei and Linxing development projects

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

Type
Curves ¹

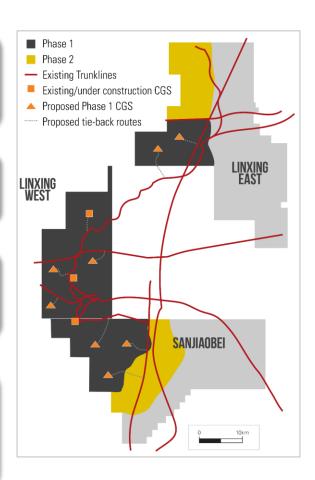
Deviated: Current: 1.2 Bcf EUR

Upside: >2 Bcf EUR

Horizontal: 4 Bcf EUR

Production Plateau ²

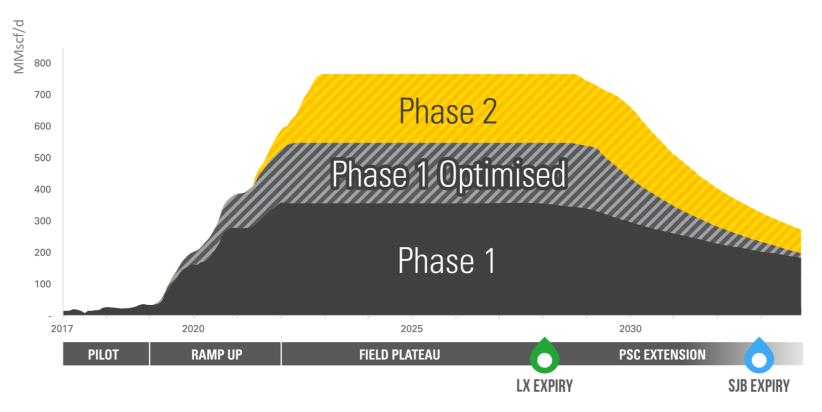
- Phase 1: 350 550 MMscf/d (~60 90 mboe/d)
- Phase 2: 550 750 MMscf/d (~90 125 mboe/d)
- Potential for upside
- Linxing ~70% of gross plateau production



Significant Production Growth



~2-4% of China's domestic gas supply at plateau 1



- 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

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China domestic production source IHS Markit, China's Provincial Gas Demand and National Supply Outlook, August 2017, based on 2022 domestic supply estimate

^{2.} Production growth projections, based on J Energy estimates of Phase 1, Phase 1 Optimised and Phase 2; Phase 2 includes production from prospective area, unrisked. Refer to slide 11 and disclaimer statement on slides 15 & 16

^{3.} Production growth projections are indicative only and not guidance, and remain subject to any necessary regulatory approvals and applicable investment decisions

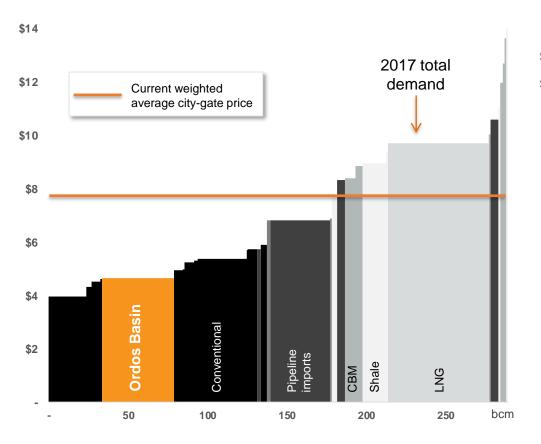
^{4.} All production numbers are gross field, to be read in conjunction with disclaimer statement, slides 15 & 16

Low Cost, Robust Prices Drive High Margins

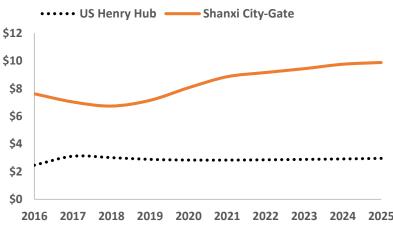


One of the lowest cost natural gas producers in China

Cost of Supply at City Gate, 2020E US\$/mmbtu (including transportation) ¹



Shanxi City-Gate vs. US Hub Prices ² US\$/mmbtu



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

Strong Cash Generation



Revenue growth with high margins reinvested to fund development

Gross Revenue ¹: US\$ million 80 70 60 50 40 30 20 10

 Revenue and margin expansion driven by production growth and rising gas prices

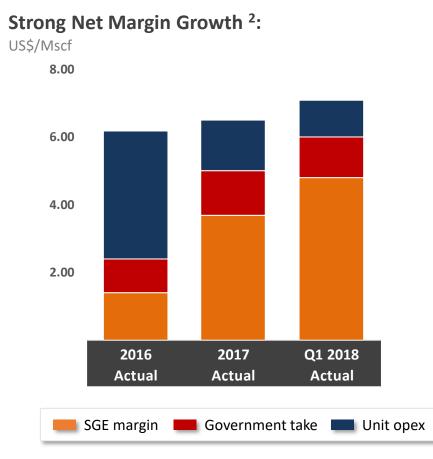
2016

2017

High cash margins underpin attractive returns

2015

- Favourable PSC terms result in significant share of revenue
- Cost-reduction culture and increasing scale reduce unit opex



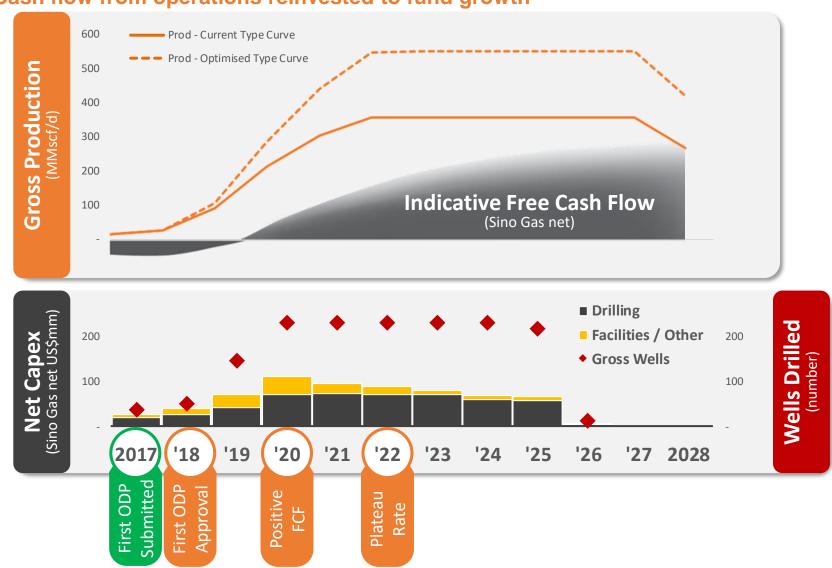
2014

2018 E

Targeting Significant Free Cash Flow



Cash flow from operations reinvested to fund growth



2018 Work Program

Delivering the Development Plan

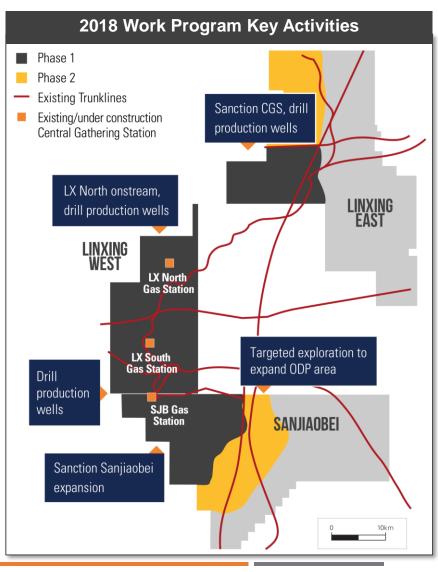


Strategic Priorities:

- Secure first ODP approvals
- Maximise production and cashflow
- Position for future growth

2018 Core Focus:

- First ODP approvals 1H
- Commission Linxing North CGS by 3Q
- Exit 38 42 MMscf/d, avg. 22 27 MMscf/d
- Gross capital expenditure US\$60-70 million
- 40 50 wells
- 2019+ drilling preparation
- Sanction new facilities post-ODP approvals



Disclaimer (1 / 2)



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 current 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 7.5% of SGE's participating interest in the Linxing PSC (assuming full SOE partner participation) contributing 7.5% of historical back costs to SGE.

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.

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Disclaimer (2 / 2)

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 Advisory Pty Ltd ("RISC") (refer to announcement of 29 March 2018) 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 7.5% in the Linxing PSC from SGE (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 Advisory 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. 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 2017

SEH Attributable Net Reserves & Resources	1P Reserves ¹ (Bcf)	2P Reserves ¹ (Bcf)	3P Reserves ¹ (Bcf)	2C Contingent Resources (Bcf)	P50 Prospective Resources (Bcf) ²
31 December 2017 (Announced 29 March 2018)	384	578	776	899	821
31 December 2016 (Announced 5 March 2017)	385	579	778	899	821
Total Project 31 December 2017	1,371	2,136	2,945	3,171	3,499

Note 1. RISC has separately assessed the Reserves and Resources for each of the PSCs by probabilistic methods and added the resultant estimates arithmetically. RISC and Sino Gas caution that the aggregate 1P estimate may be conservative and the aggregate 3P estimate may be optimistic as a result of the portfolio effects of arithmetic addition.

Note 2. Prospective resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Note 3: For the purposes of determining SGE's Reserves and Resources, RISC assumes the Linxing Option has been exercised resulting in SGE having a 64.75% interest in the Linxing PSC. SGE's interest in the Sanjiaobei PSC is 49%. Sino Gas owns 49% of the issued capital of SGE and China New Energy Mining Limited ("CNEML") owns the remaining 51%. SGE has a 100% working interest during the exploration phase of the PSCs. The impact of the Linxing Option has not been included in Sino Gas Reserves and Resources

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 7.5% 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 vie

Non-IFRS 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 SGE's financial performance per unit of production and before shareholder financing costs The margin for the first quarter 2018 is calculated by dividing net revenue of US\$13.0 million less operating expenses of US\$2.4 million by total gross production of ~25 MMscf/d. 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.

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Definitions and Conversions



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

Gross – Total Linxing and Sanjiaobei PSC's project field, refer to slide 21
 & 22 for Sino Gas net share of gross project (reference Gross Production, Gross Capital expenditure)

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

YE - year-end

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\$) = 6.3 Chinese Remnimbi (RMB)
- 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

