



**Australian Office:**  
311-313 Hay Street  
Subiaco, Western Australia  
Tel: +61 8 9388 8618  
Fax: +61 8 9388 3701

7 June 2018

Mr Dale Allen  
Senior Adviser, Listing Compliance  
ASX Compliance Pty Ltd  
Level 40, Central Park  
152 – 158 St Georges Terrace  
Perth WA

By email

### **Response to ASX Aware Letter**

We refer to your letter dated 4 June 2018 (“ASX Aware Letter”) in relation to SEH’s announcement entitled “First Linxing ODP Approved” lodged on the ASX Market Announcements Platform on Tuesday 22 May 2018 (“Announcement”). Unless defined below, terms defined in the ASX Aware Letter have the same meaning in this letter.

SEH responds to each of your queries as follows.

1. **When did SEH first become aware that it had received approval for the first Linxing Production Sharing Contract?**

SEH was alerted late on Friday 18 May 2018 when it received a document in Mandarin from its Joint Venture company, Sino Gas & Energy Limited (“SGE”) that approval for the first Linxing Production Sharing Contract (“PSC”) Overall Development Plan (“ODP”) may potentially have been received from SOE partner China United Coalbed Methane (“CUCBM”). SEH met with CUCBM in the afternoon of Monday 21 May 2018 in Beijing to clarify its understanding of the document including its approval status, the terms of the first ODP and the area to which it related. Following that clarification, SEH uploaded the Announcement to the ASX in the evening of Monday 21 May 2018 for release prior to market open on Tuesday 22 May 2018.

2. **Noting the Company referred to the approval as a “landmark achievement” in the Announcement, does SEH consider the PSC Approval Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

No.

3. **If the answer to question 2 is “no”, please advise the basis for that view.**

SEH had previously announced to the market on multiple occasions that it had received in-principle approval of the first ODP for the PSC and that it expected to receive the formal approval in the first half of 2018. The Announcement was consistent in all respects with those prior announcements. Specifically:

- In its 29 March 2018 announcement titled “First Linxing ODP In-principle Approval and Operational Update”, SEH stated:
 

Sino Gas’ Joint Venture company, Sino Gas & Energy Limited (“SGE”) has received in-principle approval for the first Linxing Production Sharing Contract (“PSC”) Overall Development Plan (“ODP”) from SOE partner China United Coalbed Methane (“CUCBM”). As per previous announcements, the Company continues to expect formal SOE ODP approval in the first half of the year.
- In its Q1 Activities Report released on 20 April 2018, SEH again referenced the in-principle approval for the first ODP (in the Highlights and the Managing Director’s quote) and the expectation that the approval would be obtained in the first half of the year.
- The investor presentation released by SEH on 14 May 2018 also noted that in-principle approvals had been received and final approvals for the first ODP were targeted for 1H 18.

While receipt of the first ODP approval for the Linxing PSC was an important achievement, SEH does not consider that this formal notification was information that a reasonable person would expect to have a material effect on the price or value of SEH’s securities given that it had already disclosed that CUCBM had agreed to grant to the approval in principle.

4. **If SEH first became aware of the PSC Approval Information before the Relevant Date, did SEH make any announcement prior to the Relevant Date which disclosed the approval? If so, please provide details. If not, please explain why the PSC Approval Information was not released to the market at an earlier time, commenting specifically on when you believe SEH was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps SEH took to ensure that the information was released promptly and without delay.**

SEH acted promptly to clarify and confirm the information received, but the information was not sufficiently definite to allow SEH to release an announcement prior to the Relevant Date.

See the response in paragraph 3 above in relation to prior announcements.

5. **Please confirm that SEH is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

SEH confirms that it is in compliance with the Listing Rules, including Listing Rule 3.1.

6. **Please confirm that SEH’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SEH with delegated authority from the board to respond to ASX on disclosure matters.**

SEH confirms that the responses provided in this letter have been authorised and approved by the SEH board.

Yours faithfully



Harry Spindler  
Company Secretary  
Sino Gas & Energy Holdings Limited



4 June 2018

Mr Harry Spindler  
Company secretary  
Sino Gas & Energy Limited  
311 – 313 Hay Street  
Subiaco WA 6008

By email: [harry@indeanoceangroup.com.au](mailto:harry@indeanoceangroup.com.au)

Dear Mr Spindler

**Sino Gas & Energy Limited (“SEH”): aware query**

ASX Limited (“ASX”) refers to the following:

- A. The change in the price of SEH’s securities from a closing price of \$0.19 on Thursday 17 May 2018 to a closing price of \$0.235 on Monday 21 May 2018. We also note the increased volume of SEH securities during this period.
- B. SEH’s announcement entitled “First Linxing ODP Approved” (“Announcement”) lodged on the ASX Market Announcements Platform and released at 08:20 am (AEST) on Tuesday 22 May 2018 (“Relevant Date”), disclosing that further to SEH’s announcement of in-principle approval on 29 March 2018, SEH’s joint venture company, Sino Gas & Energy Limited had received approval for the first Linxing Production Sharing Contract Overall Development Plan from SOE partner China United Coalbed Methane (“PSC Approval Information”).
- C. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
- D. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:

*“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity”*

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

*3.1A.1 One or more of the following applies:*

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*

- The information is generated for the internal management purposes of the entity; or
- The information is a trade secret; and

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

- F. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

*“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*

Having regard to the above, ASX asks SEH to respond separately to each of the following questions and requests for information:

1. When did SEH first become aware that it had received approval for the first Linxing Production Sharing Contract?
2. Noting the Company referred to the approval as a “landmark achievement” in the Announcement, does SEH consider the PSC Approval Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
3. If the answer to question 2 is “no”, please advise the basis for that view.
4. If SEH first became aware of the PSC Approval Information before the Relevant Date, did SEH make any announcement prior to the Relevant Date which disclosed the approval? If so, please provide details. If not, please explain why the PSC Approval Information was not released to the market at an earlier time, commenting specifically on when you believe SEH was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps SEH took to ensure that the information was released promptly and without delay.
5. Please confirm that SEH is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that SEH’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SEH with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 7.30 a.m. WST) on Friday 8 June 2018.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [tradinghaltspert@asx.com.au](mailto:tradinghaltspert@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to SEH’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that SEH’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, providing the information requested in this letter.

---

Further, if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, SEH's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in this letter and may require SEH to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We will require the request for the trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

#### **Suspension**

If you do not respond to this letter by the deadline set out above or if ASX does not consider your response to be satisfactory, ASX is likely to suspend trading in SEH's securities under Listing Rule 17.3.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[Sent electronically without signature]*

---

**Dale Allen**

Senior Adviser, Listings Compliance (Perth)