

12 September 2018

SCHEME OF ARRANGEMENT IS LEGALLY EFFECTIVE

Sino Gas & Energy Holdings Limited (ASX: SEH, the “Company” or “Sino Gas”) confirms that an office copy of the orders made by the Federal Court of Australia (“Court”) on 11 September 2018 approving the scheme of arrangement (the “Scheme”) under which a subsidiary of Lone Star Fund X Acquisitions, LLC will acquire all of Sino Gas’ issued share capital, was lodged with the Australian Securities and Investments Commission (“ASIC”) today.

Accordingly, pursuant to section 411(10) of the *Corporations Act 2001* (Cth), the Scheme is now legally effective. Accompanying this announcement is a copy of the Court’s orders as lodged with ASIC.

Sino Gas will be applying for its shares to be suspended from trading on the Australian Securities Exchange (“ASX”) with effect from the close of trade today.

As the Scheme is now legally effective, Sino Gas shareholders will receive the scheme consideration of A\$0.25 (“Scheme Consideration”) for each Sino Gas share held at 5.00pm (Sydney time) on the Record Date, Friday, 14 September 2018. Shareholders will be paid their Scheme Consideration on or around Wednesday, 19 September 2018, in cash either by electronic funds transfer into their nominated Australian bank account or Australian dollar cheque.

Shareholder Information Line

Sino Gas shareholders who have questions in relation to the Scheme should contact the Sino Gas Shareholder Information Line on 1300 223 089 (within Australia) or +61 3 9415 4067 (outside Australia), Monday to Friday between 8:30am to 5:00pm (Sydney time).

Investor Enquiries:

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About Sino Gas & Energy Holdings Limited

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.

The Linxing PSC is held with CUCBM (a CNOOC wholly-owned subsidiary) and the Sanjiaobei PSC is held with PCCBM (a PetroChina wholly-owned subsidiary). SGE's PSC partners are entitled to participate up to their 51%-PSC participating 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 by contributing 7.5% of historical back costs to SGE (3.675% interest assuming full CUCBM participation).

The PSCs cover an area of approximately 2,000km² in the Ordos basin in Shanxi, a rapidly developing province. The region has mature field developments with an established pipeline infrastructure to major markets. Natural gas is a key component of clean energy supply in China, with the 13th Five-Year Plan identifying the Ordos basin as a strategic natural gas source.

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. 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 announcement will be achieved. Production profile, plateau rates and other 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, or on behalf of, the Company. Such factors include, among other things, risks relating to gas prices and currency fluctuations; exploration and estimating reserves; development, production and operating risks; competition; regulatory restrictions or failure to obtain necessary approvals and licenses; environmental harm and liability; potential issues with obtaining land access and title disputes; and additional funding requirements. Details of the Company's material business risks are set out in its annual report. 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 except as required by applicable law the Company does not undertake any obligation to update publicly such forward-looking information, whether as a result of new information, future events or results or otherwise.



Federal Court of Australia

District Registry: New South Wales

Division: General

No: NSD1223/2018

SINO GAS & ENERGY HOLDINGS LIMITED (ACN 124 242 422)

Plaintiff

ORDER

JUDGE: JUSTICE MARKOVIC

DATE OF ORDER: 11 September 2018

WHERE MADE: Sydney

THE COURT ORDERS THAT:

1. Pursuant to s 411(4)(b) of the *Corporations Act 2001* (Cth) (**Act**), the scheme of arrangement between the plaintiff and its members set out in Exhibit IW-3 (**Scheme**) be approved.
2. Pursuant to s 411(12) of the Act, the plaintiff be exempt from compliance with s 411(11) of the Act in relation to the Scheme.
3. These orders be entered forthwith.

Date that entry is stamped: 11 September 2018


Registrar