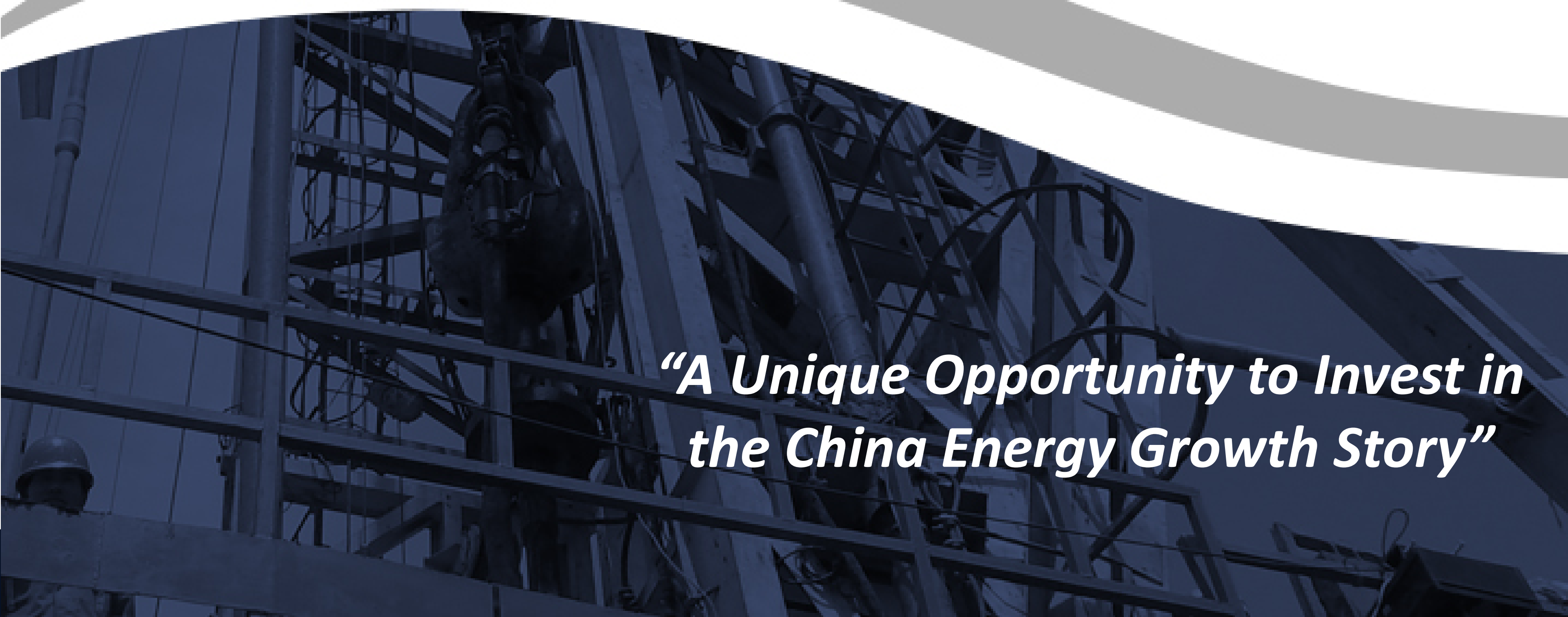
INVESTOR PRESENTATION
FEBRUARY 2015

SINO Gas & Energy
中澳煤层气能源



DISCLAIMER

Sino Gas & Energy Holdings Limited (ASX:SEH, “Sino Gas”, “the Company”) holds a 49% interest in Sino Gas & Energy Limited (SGE) through a strategic partnership with MIE Holdings Corporation (“MIE” SEHK: 1555) to develop two blocks held under Production Sharing Contracts (PSCs) with CNPC and CUCBM. SGE has been established in Beijing since 2005 and is the operator of the Sanjiaobei and Linxing PSCs in Shanxi province.

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.

The purpose of this presentation is to provide general information about the Company. 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 2013, 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)*.

RESOURCES STATEMENT

The statements of resources in this release have been independently determined to Society of Petroleum Engineers (SPE) Petroleum Resource Management Systems (PRMS) standards by internationally recognised oil and gas consultants RISC (announced 4 March 2014) using probabilistic 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, CBM Energy's option to acquire an interest of 5.25% in the Linxing PSC (by paying 7.5% of back costs) is exercised, and MIE fulfil funding obligations under the strategic partnership agreement. 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 assumptions and subsequent work program exploration and appraisal results have been in line with expectations.

Information on the Resources in this release 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.Eng in Petroleum Engineering and 30 years of experience in the oil and gas industry. RISC consents to the inclusion of this information in this release. 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 2013

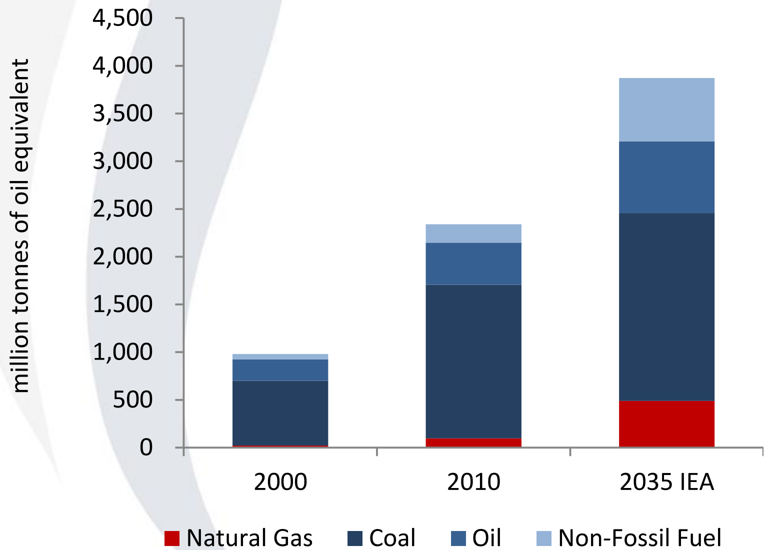
Sino Gas' Attributable Net Reserves & Resources	1P RESERVES (Bcf)	2P RESERVES (Bcf)	3P RESERVES (Bcf)	2C CONTINGENT RESOURCES[3] (Bcf)	P50 PROSPECTIVE RESOURCES[3] (Bcf)	EMV_{10} ($USm)[2]
March 2014 (Announced 4 March 2014)	**129**	**291**	**480**	**850**	**1,023**	**2,258**
March 2013 (Announced 20 March 2013)	32	94	199	653	885	1,556
TOTAL 2013 CHANGE (+/-)%	**+211% (2P Reserves)**			**+30%**	**+16%**	**+45%**
Total Project March 2014	**466**	**1,068**	**1,786**	**2,941**	**3,978**	**N/A**

Contingent and Prospective Resources have not been risked for the risk of development and discovery. The estimated quantities of petroleum 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. EMV is the probability weighted net present value (NPV), including the range of project NPVs and the risk of the project not progressing. Project NPV_{10} is based on a mid-case wellhead gas price of $US8.79/Mscf and lifting costs (opex+capex) of ~ US$1.5/Mscf for mid-case Reserves, Contingent & Prospective Resources.

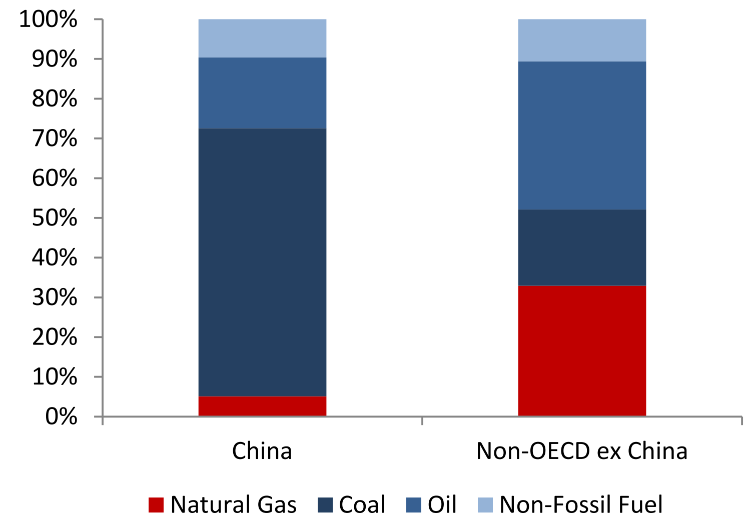
CHINA SNAPSHOT: LARGE, GROWING, CHANGING

- World's largest energy consumer
- Fastest growing energy demand
- 22% of global primary energy demand
- Only 5% of global natural gas demand due to small share in energy mix

China 2000 – 2035 Total Energy Growth[1]



China vs Non-OECD Energy Mix[2]



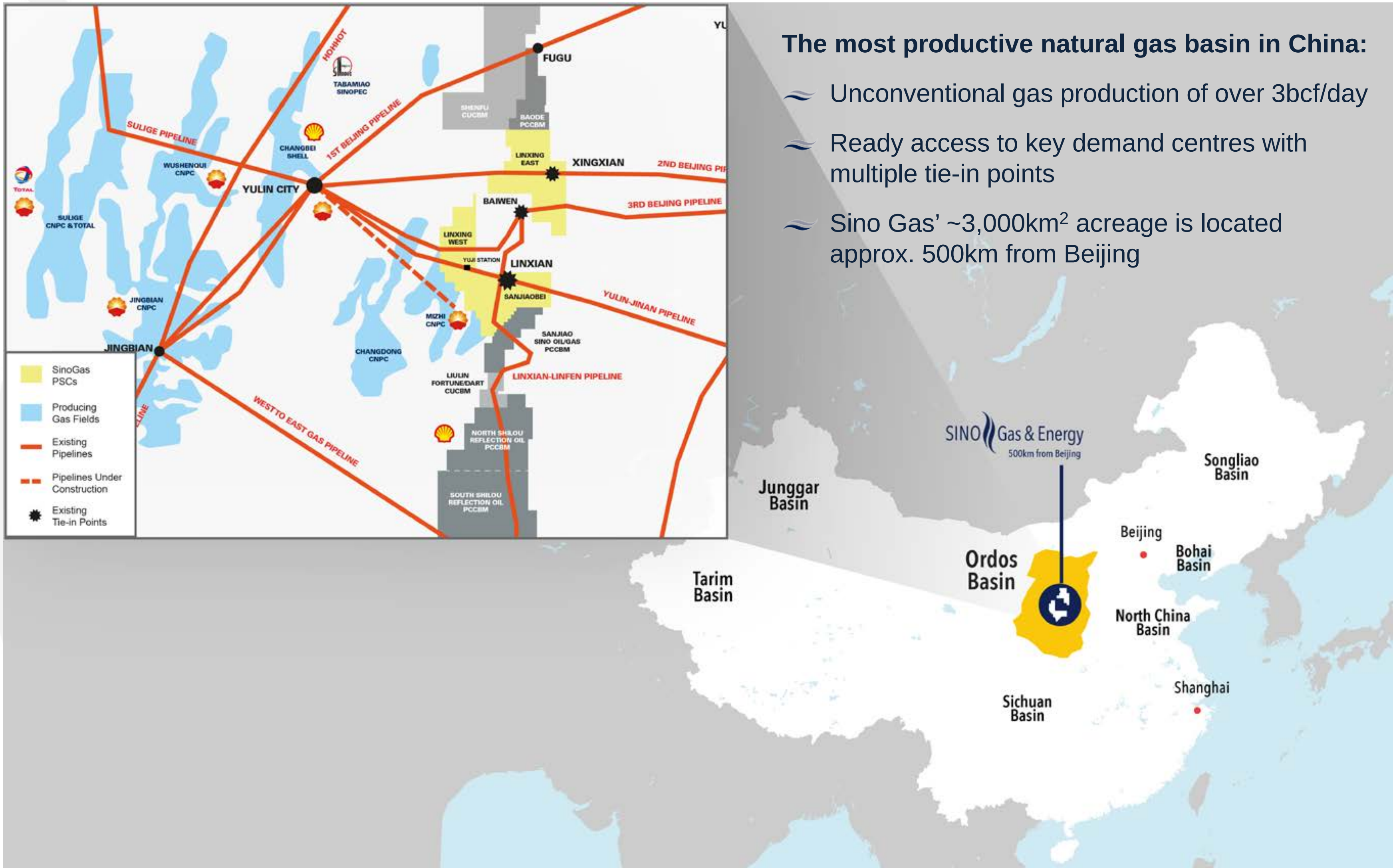
1 – Source: IEA World Energy Outlook 2012 & BP Statistical Review 2014
2 – Source: BP Statistical Review 2014

SINO Gas & Energy

SIGNIFICANT ASSETS IN THE PROLIFIC ORDOS BASIN

The most productive natural gas basin in China:

- Unconventional gas production of over 3bcf/day
- Ready access to key demand centres with multiple tie-in points
- Sino Gas' ~3,000km^2 acreage is located approx. 500km from Beijing



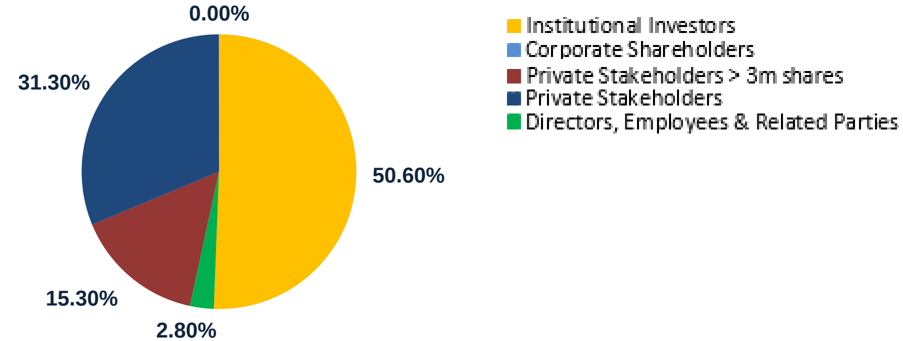
COMPANY SNAPSHOT

Corporate Information - as at 31 Dec 2014

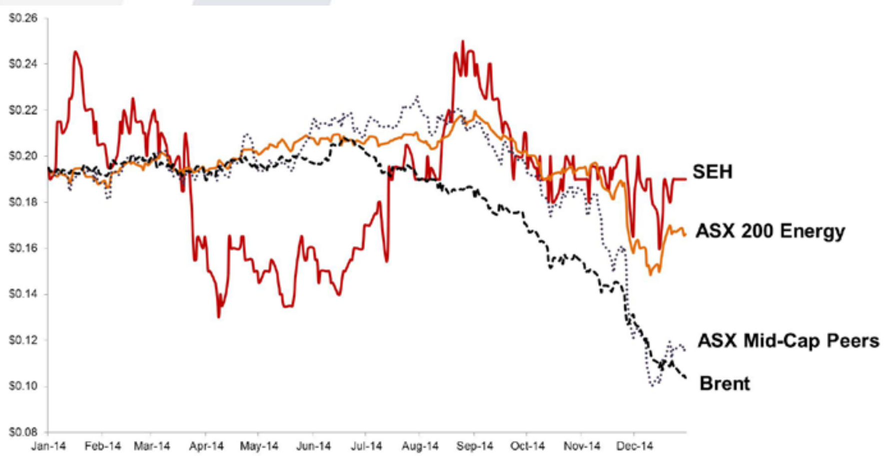
ASX Listed (S&P ASX 300)	SEH
Share Price	A$0.19
Issued Shares	1,544m
Market Cap	US$243m
Cash Balance (Dec 31, 2014)	US$34.1m

Headquarters in Beijing

Share Register – January 2015



2014 Share Price Performance



Top Shareholders – Jan 2015	Shares (m)	%
FIL Investment Management	153.2	9.9%
Commonwealth Bank of Australia	104.9	6.8%
Kinetic Investment Partners	97.6	6.3%
Perennial Value Management	55.0	3.6%
JP Morgan Asset Management	47.3	3.4%

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A UNIQUE CHINA GAS INVESTMENT OPPORTUNITY

Attractive market dynamics	**Strong demand outlook:** Gas demand forecast to double by 2020[1] **Strengthening prices:** City-gate prices now average ~US$10.80-13.45/mcf **Supportive policy:** Government policy prioritising unconventional gas production
Large scale / low cost resource	**Substantial scale:** 1 tcf gross 2P & 3 tcf unrisked 2C in the prolific Ordos Basin[2] **Significant upside:** 4 tcf gross prospective resource[2] – 30% acreage under-explored **Low cost supply:** Competitively positioned on the China gas supply cost curve
Pathway to commercialisation	**Pilot Production:** First pipeline gas sales achieved in December 2014 **Gas Sales:** Initial sales at up to c.US$9.50/Mscf, securing additional agreements **Market Access:** Adjacent to existing infrastructure with ready access to key markets
Strong partners	**SOEs:** Tier 1 PSC partners (CNPC & CNOOC) with established unconventional operations in the Ordos Basin **MIE:** Strategic JV partner with proven track record of operating PSCs in China
Experienced team / well financed	**Strong board and management:** Experienced team with strong technical and commercial expertise **Financing:** US$34.1[3] cash plus a further US$40 undrawn facility

1 – Source: United States Energy Information Administration
2 – Refer to Resource Statement on slide 3 for full disclosure
3 – As at 31 December 2014

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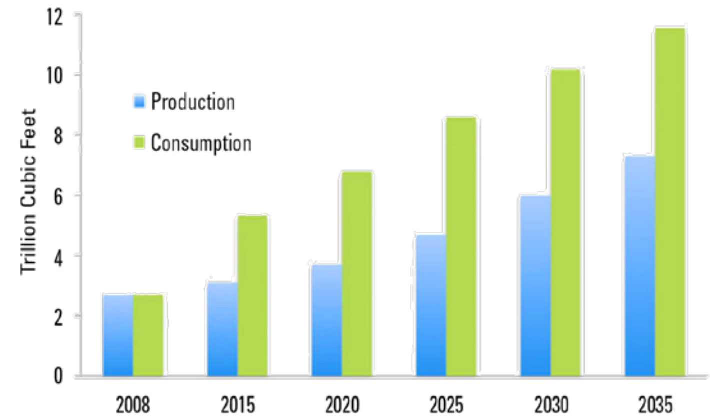
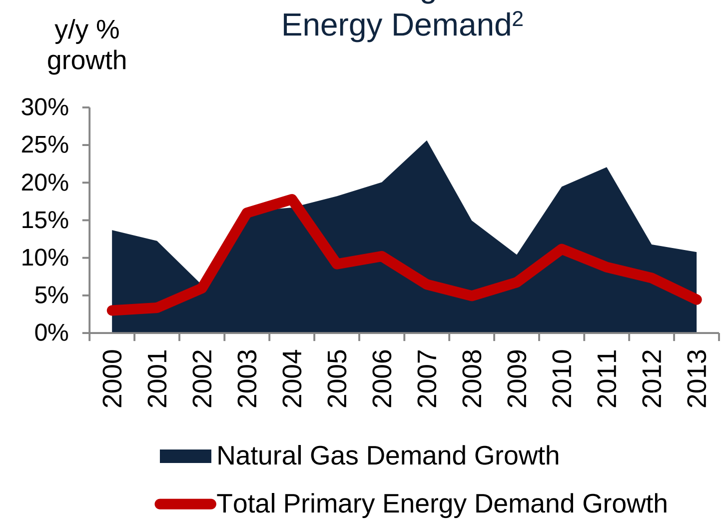
CHINA GAS IN CONTEXT OF FALLING OIL PRICES

- Gas prices in China **set by the NDRC** and are not linked to oil product prices
- Chinese government policy remains **highly supportive** of natural gas, targeting more than doubling of gas demand by 2020
- **Availability of gas supply** seen as one of the biggest impediments to increasing natural gas' share in the energy mix.
- NDRC has implemented **two material (>15%) gas price increases** since mid-2013 to incentivise domestic supply and cut loses on imports
- Current city gate prices average **~US$10.80-US$13.45/mcf**, SGE realised wellhead price ~US$9.50/mcf
- China's import dependency forecast to continue to increase (currently c.30%)

China Domestic Market Outlook[1]



Gas Demand Growing Faster than Total Energy Demand[2]



1. Source: U.S EIA - International Energy Outlook 2011
2. Source: BP Statistical Review of Energy

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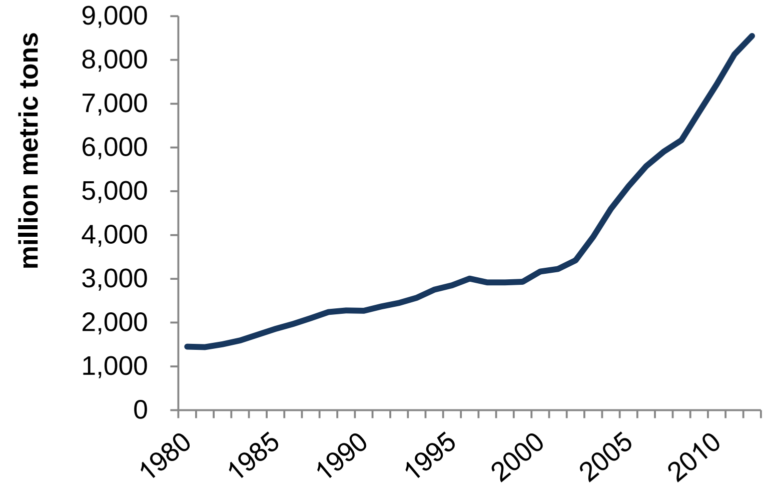
CHINA POLICY HIGHLY SUPPORTIVE OF NATURAL GAS

- **China pushing for increased adoption of natural gas**
  - cleaner, more affordable energy source
- **12th 5 year Plan:**
  - Aims to increase natural gas share of energy mix from 4.4% (2011) to 7.5% (2015)
- **2020 Energy Development Strategy Action Plan:**
  - Plans for natural gas share to continue to grow to over 10% of energy mix by 2020
- **Air Pollution Prevention and Control Action Plan (2013):**
  - Expected to encourage adoption of natural gas over coal, especially in three core major metropolitan control areas
- **Comprehensive policies being enacted to secure the necessary supply**
  - Domestic price reform
  - Securing long term imports (Pipeline, LNG)

China's Growing CO2 Emissions[1]



1 – Source: United States Energy Information Administration

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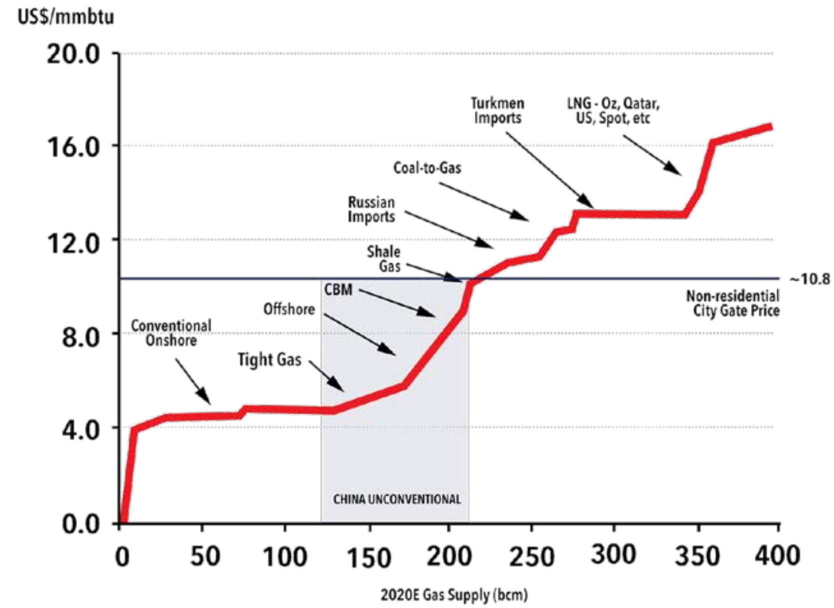
SINO GAS ATTRACTIVELY POSITIONED ON COST CURVE

- Rapid expansion of gas demand pushes volumes higher on the cost curve
- Conventional gas cheapest source of supply but in structural decline
- Imports (both pipeline and LNG) and shale gas at high end of cost of supply
- Sino Gas' assets highly cost competitive with est. capex + opex of US$1.50/mcf[2]

China 2020E City-Gate Supply Cost Curve[1]

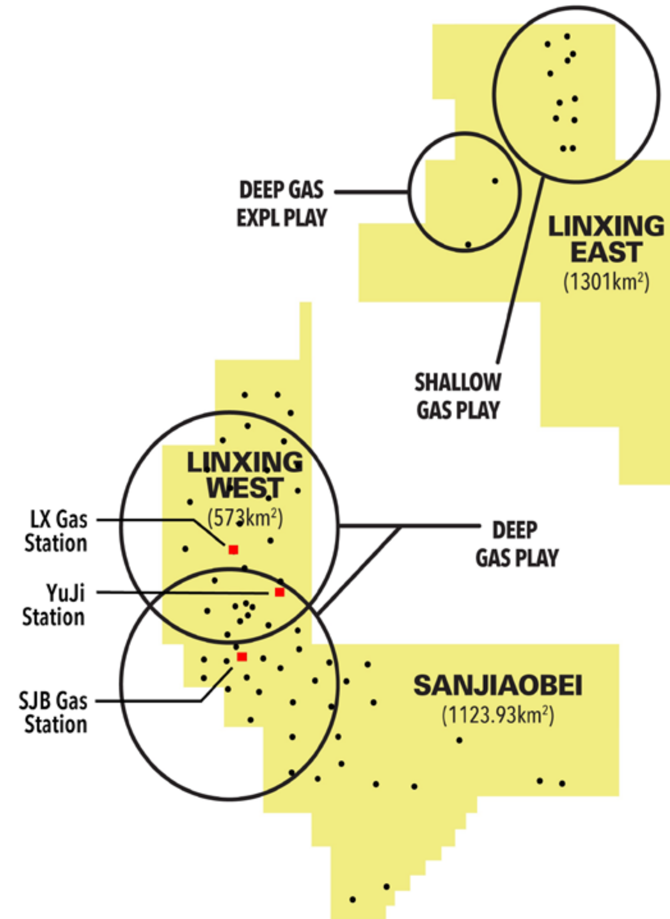


1 – Source: Macquarie Research
2 – Refer to Resource Statement on slide 3 for full disclosure; EMV is based on NPV_{10} with a mid-case gas price of US$8.79/Mscf and lifting costs (opex+capex) of ~US$1.5/Mscf for mid-case Reserves, Contingent & Prospective Resources.

LARGE SCALE ASSETS WITH SIGNIFICANT UPSIDE

- **Size & Scale: 1.1 tcf 2P (184 mmboe) and 2.9 tcf unrisked 2C resources (507 mmboe) gross[1]**
  - SEH net: 291 bcf 2P + 850 bcf 2C[1]
- **Exploration Upside Remains with c. 4 tcf unrisked prospective[1]**
- **Attractive Geology with Stacked Multiple Pay-Zones**
- **Surrounded by Substantial Existing Production**
  - Ordos Basin currently produces over 3Bcf/day from conventional and tight gas reservoirs
- **Commercialisation**
  - First pilot pipeline sales achieved, continuing to ramp up production
- **Cost Competitive Resource base**
  - Capex + Opex estimated to be c.US$1.50/Mscf[2]

Project and Drilling Overview

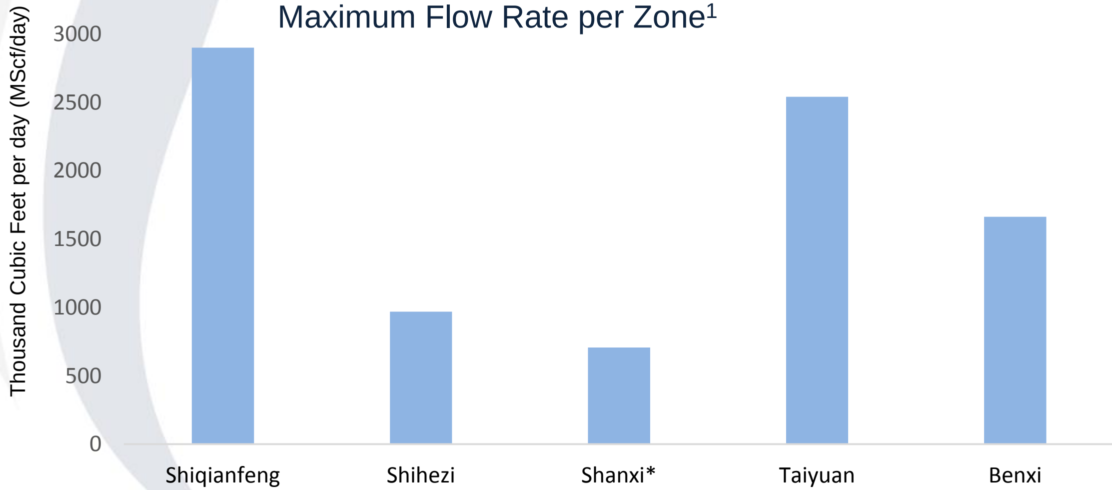


1 – To be read in conjunction with Resource Statement on slide 3.
2 – EMV is based on NPV_{10} with a mid-case gas price of US$8.79/Mscf and lifting costs (opex+capex) of ~US$1.5/Mscf for mid-case Reserves, Contingent & Prospective Resources.

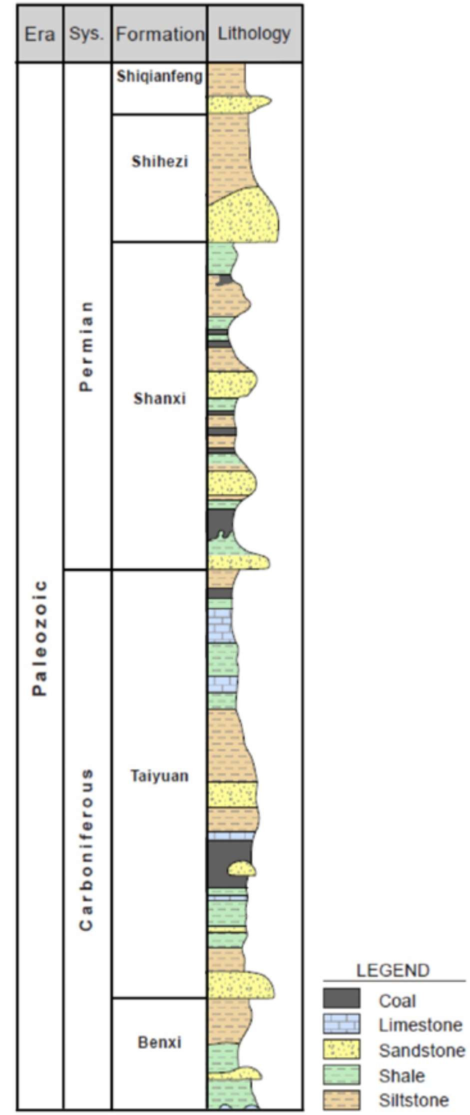
ATTRACTIVE GEOLOGY

- **Proven gas deliverability**
  - Ongoing testing program, including the recent horizontal wells, demonstrates strong commercial gas flow rates
- **Stacked multiple pay-zones**
  - Production from multiple pay-zone expected in a full field development scenario
- **Analogous to fields developed 15-20 years ago in North America**

Maximum Flow Rate per Zone[1]



** Excludes horizontal well result of 4.93 million standard cubic feet per day (over 8 MMscf/day calculated at standard field pressure of 200 psi)*



1 – Calculated at standard field pressure of 200 psi

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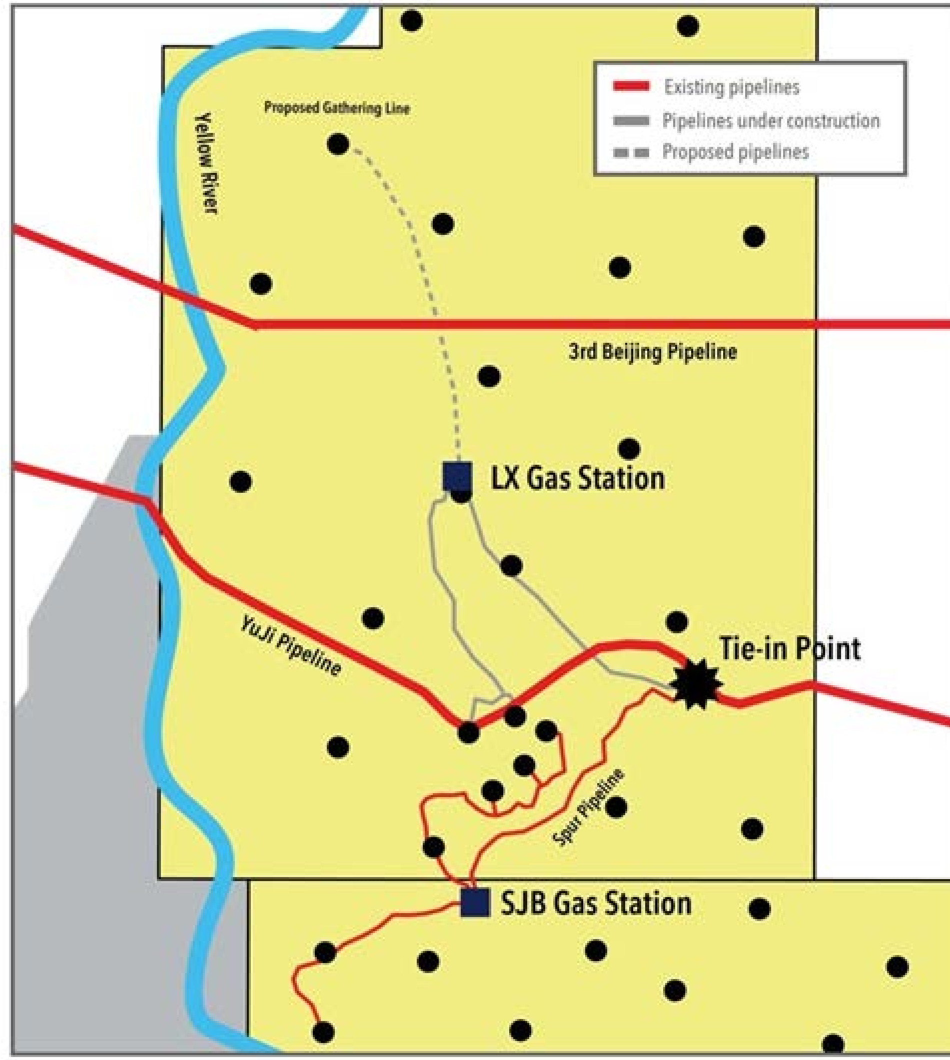
SINO GAS BECOMES A FULL CYCLE E&P

- **First pilot production announced 1 December 2014**
- Completes value chain and designed to prove sustainable reservoir productivity
- Linxing plant anticipated online by mid-2015, bringing total initial installed capacity to ~25 MMscf/day with space for expansion
- Initial gas sales at up to c.US$9.50/mcf via Yuji pipeline
- Access to multiple gas pipelines with existing tie-in points provide optionality for direct market access
- Crucial step towards full field development, Chinese Reserve Reports submitted for Partner Review



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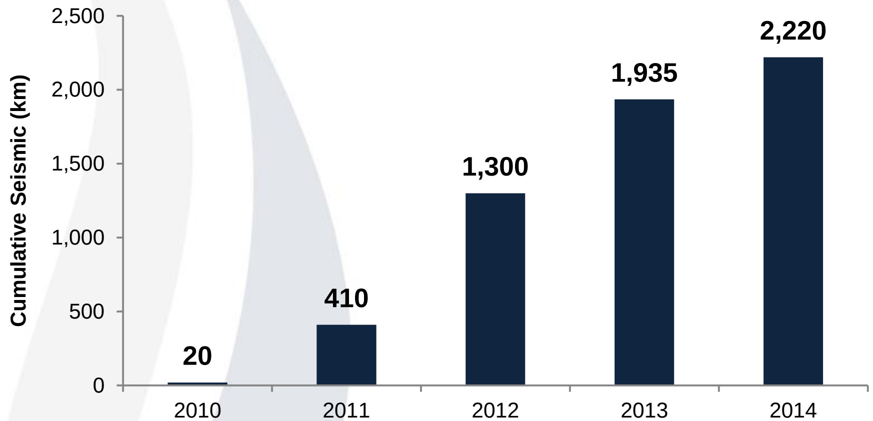
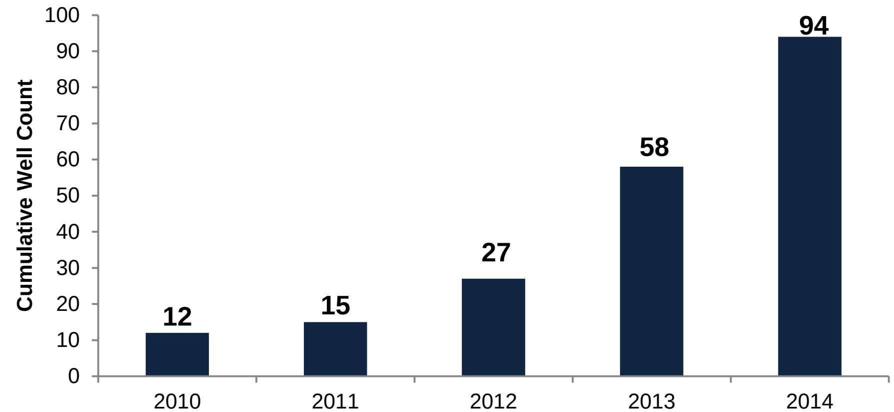
WORK PROGRAMME ADDING RESERVES, RESOURCES, VALUE

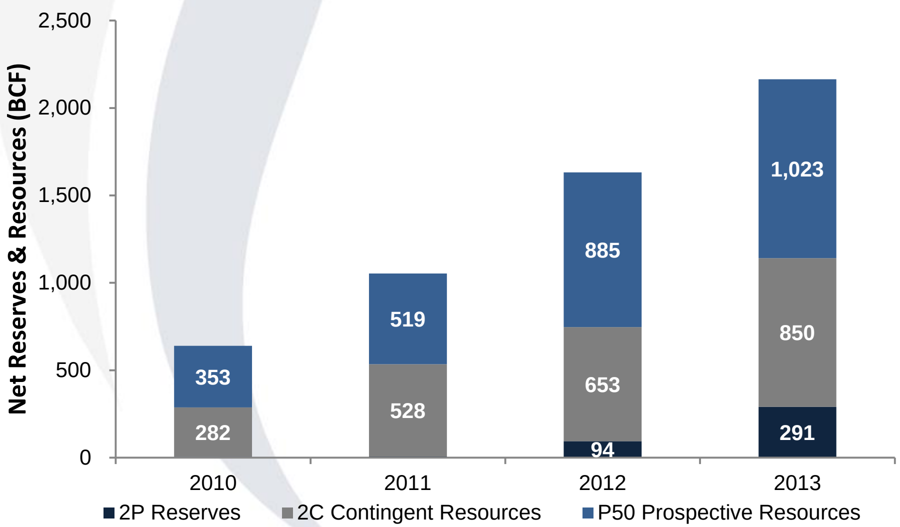
Cumulative Seismic (km)



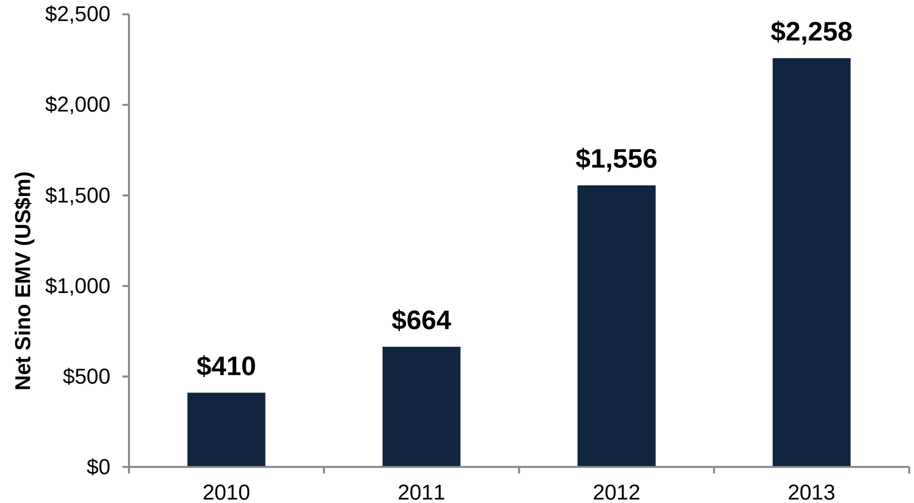
Cumulative Well Count



Sino Gas' Net Reserves & Resources Growth[1]



Sino Gas' Net EMV[2]



1 – Refer to Resource Statement on slide 3 for full disclosure. 2 – EMV is based on NPV_{10} with a mid-case gas price of US\$8.79/Mscf and lifting costs (opex+capex) of ~US\$1.5/Mscf for mid-case Reserves, Contingent & Prospective Resources.

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STRONG STRATEGIC PARTNERSHIPS

MIE (MIE Holdings Corporation)

- Strategic Partner with a proven track record of working under Chinese regulatory system
- Successful execution of three ODP approvals in China
- Other operations in Kazakhstan, USA & China
- 400+ wells drilled per year in China for the last two years

SGE

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

CUCBM

- The original SOE formed to develop the CBM industry in China
- Now 70% owned by CNOOC

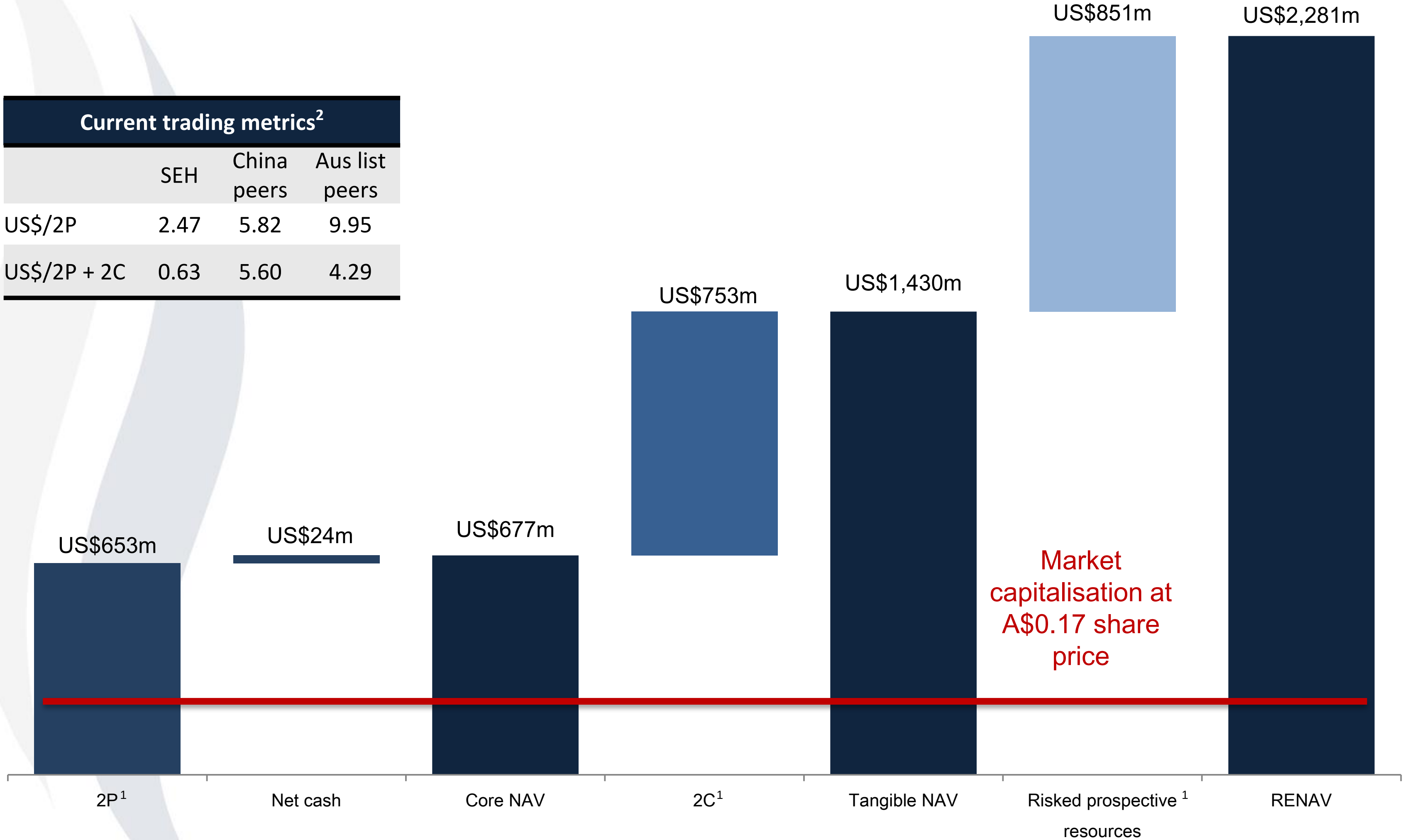
CNPC

- China's largest oil and gas producer with an extensive international presence
- Strong focus on the development of unconventional gas in China

1 – CBM Energy has an option to acquire 5.25% of Linxing by paying 7.5% of back costs

CLOSING THE VALUATION GAP

Current trading metrics[2]			
	SEH	China peers	Aus list peers
US$/2P	2.47	5.82	9.95
US$/2P + 2C	0.63	5.60	4.29



1 – Refer to Disclaimer & Resource Statement on slides 2-3 for full disclosure.
2 – As of January 23, 2015; China Peers include Far East Energy Corporation, Green Dragon Gas, MIE Holdings; Australia listed peers include E&Ps >A$100m mkt cap with reported reserves or contingent resources

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STRATEGIC FOCUS

	Current	Future
Corporate Focus	Pilot Production & Ramp-up	Develop Full Field
Operational Focus	Submit CRRs & Update Reserves	ODP Approvals
Technology Focus	Maximise Single Well Productivity	Optimise Full Field Development
Financing Focus	Strong Financing Position ~$75m cash + undrawn facility	Cash Flow From Operations
Shareholder Focus	Close The Value Gap	Maximise Shareholder Return

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2014 - 2015 PRIORITIES

Q4 2014

✓ Second horizontal well test results	October
✓ Sanjiaobei gas sales agreement	December
✓ **Pilot gas from Sanjiaobei central gathering station**	December
✓ Submit CRRs to partners for SJB and LXW	December
✓ Linxing East seismic and exploration drilling	October - December

Q1 2015

• Independent Reserve & Resource update	March
• Infield development drilling and testing	Ongoing
• Connection of additional pilot wells	Ongoing

Q2 2015

• **Pilot gas from Linxing central gathering station**	**June - July**

Q3/Q4 2015

• Submission of ODP on Linxing East	August
• CRR approvals expected	August - December

PILOT PROGRAM PHOTOS

Sanjiaobei Central Gathering facilities commissioned

Pad Drilling Christmas Trees

Linxing station expected to be commissioned mid-15

Linxing Spur Line over 90% complete – over 100MMscf/dcapacity

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