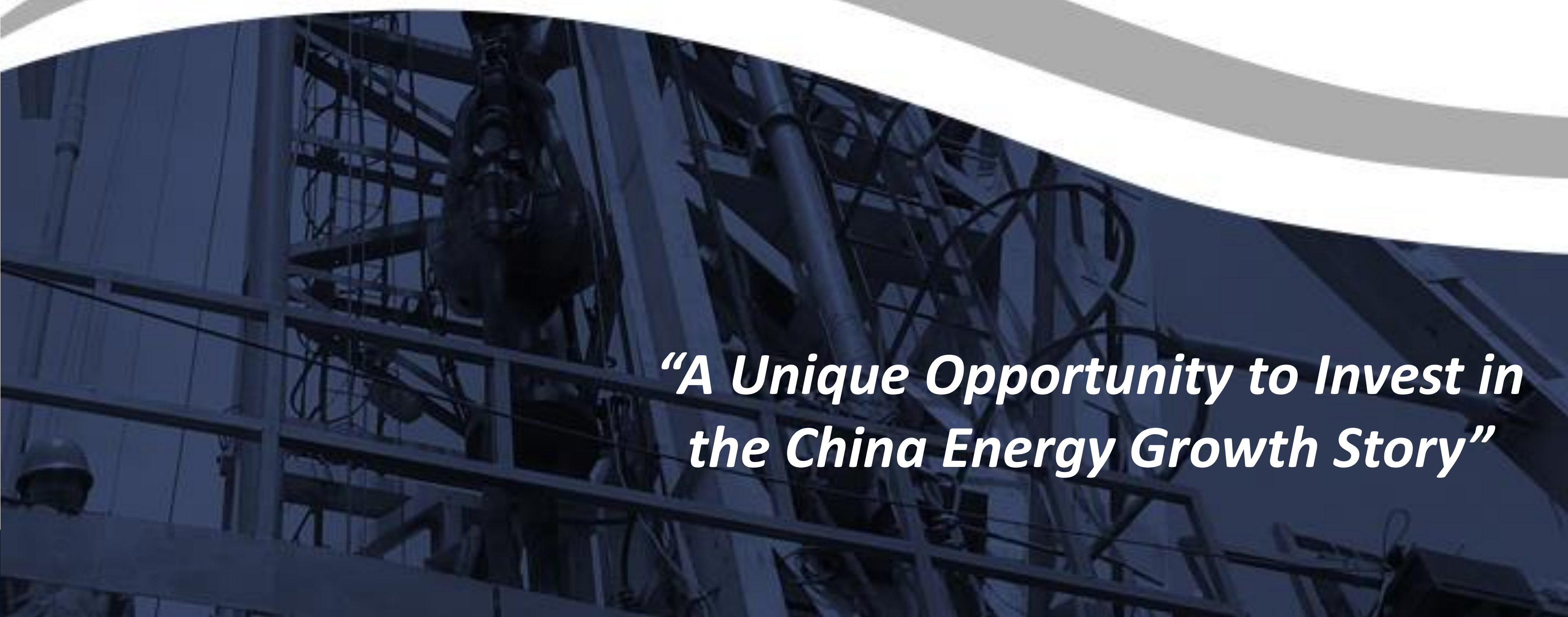
2014 RESERVES CONFERENCE CALL
MARCH 2015

SINO Gas & Energy
中澳煤层气能源



"A Unique Opportunity to Invest in the China Energy Growth Story"

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 3 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 2014

SEH Attributable Net Reserves & Resources	1P Reserves (Bcf)	2P Reserves (Bcf)	3P Reserves (Bcf)	2C Contingent Resources (bcf)	P50 Prospective Resources (bcf)	EMV_{10} (US$m)
31 December 2014 (Announced 3 March 2015)	350	448	557	739	649	$3,076
31 December 2013 (Announced 4 March 2014)	129	291	480	850	1,023	$2,258
Total 2014 Change (+/-%)	+54% (2P)			-13%	-37%	36%
Gross Project 31 December 2014	1,238	1,608	2,022	2,560	2,568	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 NPV10 is based on a mid-case wellhead gas price of US$9.76/Mscf and lifting costs (opex+capex) of ~US$1.3/Mscf for mid-case Reserves, Contingent & Prospective Resources.

SINO Gas & Energy

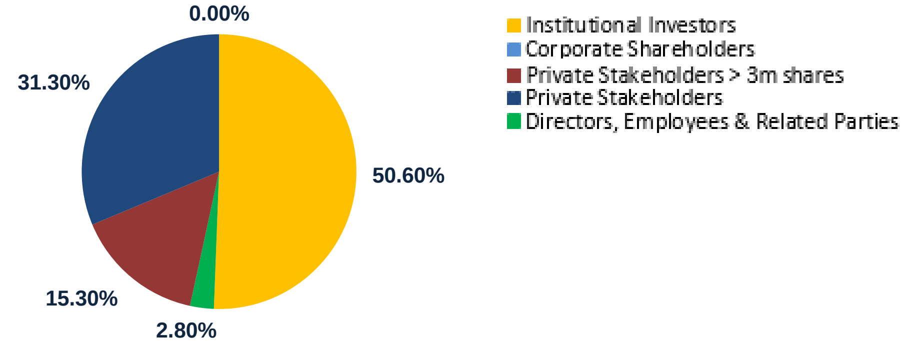
COMPANY SNAPSHOT

Corporate Information - as at 31 Dec 2014

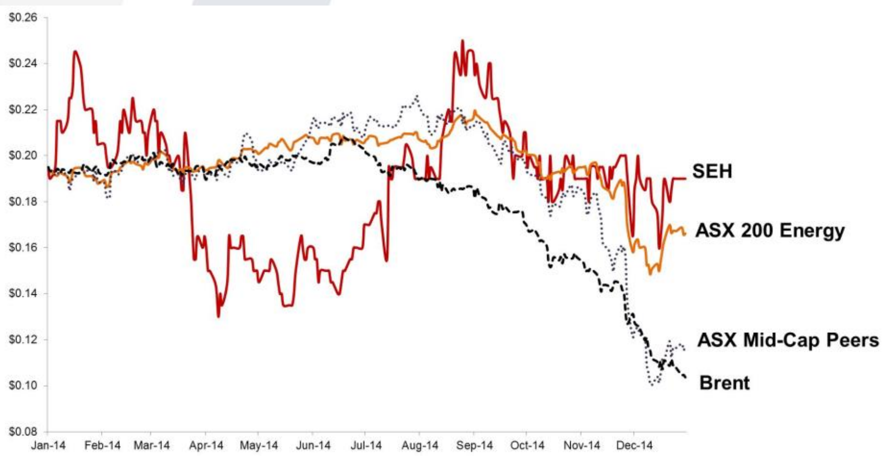
ASX Listed (S&P ASX 300)	SEH
Share Price	A$0.19
Issued Shares	1,544m
Market Cap	US$243m
Cash Balance (Dec 31, 2014)	US$34.1m

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%

SINO Gas & Energy

A UNIQUE CHINA GAS INVESTMENT OPPORTUNITY

Attractive market dynamics	**Strong demand outlook:** Gas demand forecast to double by 2020[1] **Strengthening prices:** Average city-gate ~$11/mcf effective 1 April 2015 **Supportive policy:** Government policy prioritising unconventional gas production
Large scale / low cost resource	**Substantial scale:** 1.6 tcf gross 2P & 2.6 tcf unrisked 2C in the prolific Ordos Basin[2] **Significant upside:** 2.6 tcf gross prospective resource[2] with ongoing exploration **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

SINO Gas & Energy

MATERIAL RESERVE MATURATION IN 2014

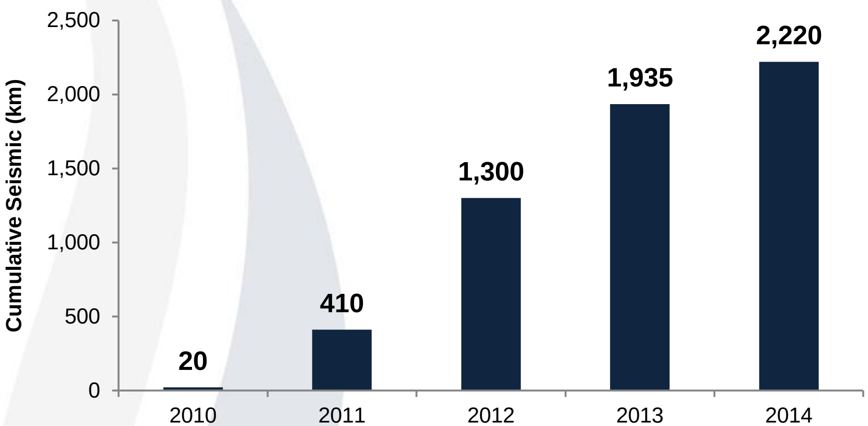
- **1P reserves: +166%, 2P Reserves: +51%**[1]
  - Additional wells and tests maturing resources to reserves
  - 2P Reserves 1,608 bcf gross, Sino Gas share 448 bcf (75 mmboe)
- **Discovered mid-case resources (2P + unrisked 2C): +4%**[1]
  - Increased discovered area, partially offset by lower improved gas saturation and recovery factor estimates
  - 2C resources 2,560 bcf (down 13%), Sino Gas share at 739 bcf (198 mmboe)
- **Prospective mid case resources: -35%**[1]
  - Resource maturation and improved gas saturation and recovery factor estimates
  - 2,568 bcf gross, Sino Gas share at 649 bcf (108 mmboe)
- **EMV increased 36% to $3.1 billion, 49% of which in reserves (29% in 2013)**[2]
  - Reserves EMV: US$1.5 billion (+130%)
  - Discovered EMV (Reserves + Contingent Resources): US$2.3 billion (+65%)

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$9.76/Mscf and lifting costs (opex+capex) of ~US$1.3/Mscf for mid-case Reserves, Contingent & Prospective Resources.

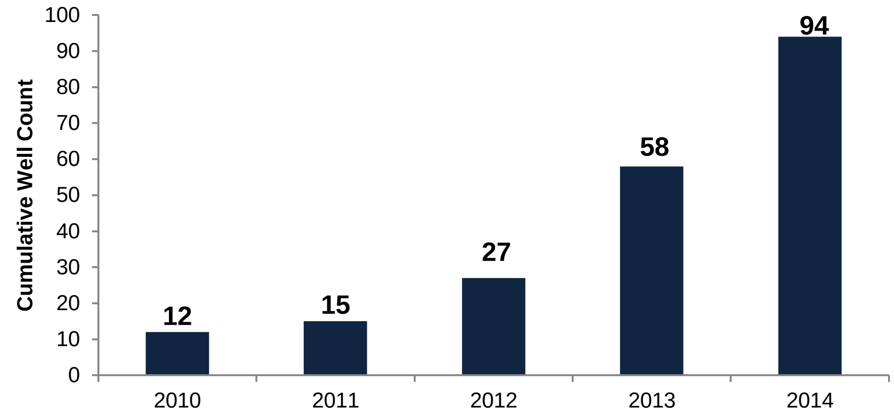
SINO Gas & Energy

WORK PROGRAM ADDING RESERVES, RESOURCES, VALUE

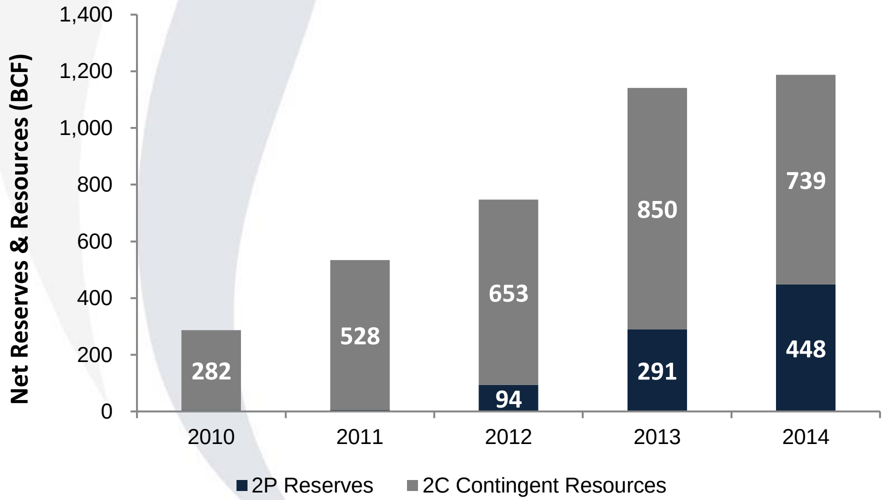
Cumulative Seismic (km)



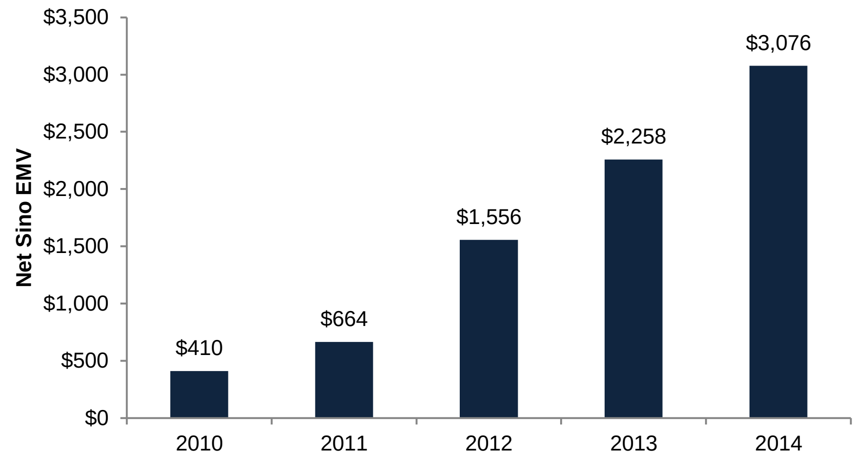
Cumulative Well Count



Sino Gas' Net 2P + 2C Growth[1]



Sino Gas' Net EMV[2]

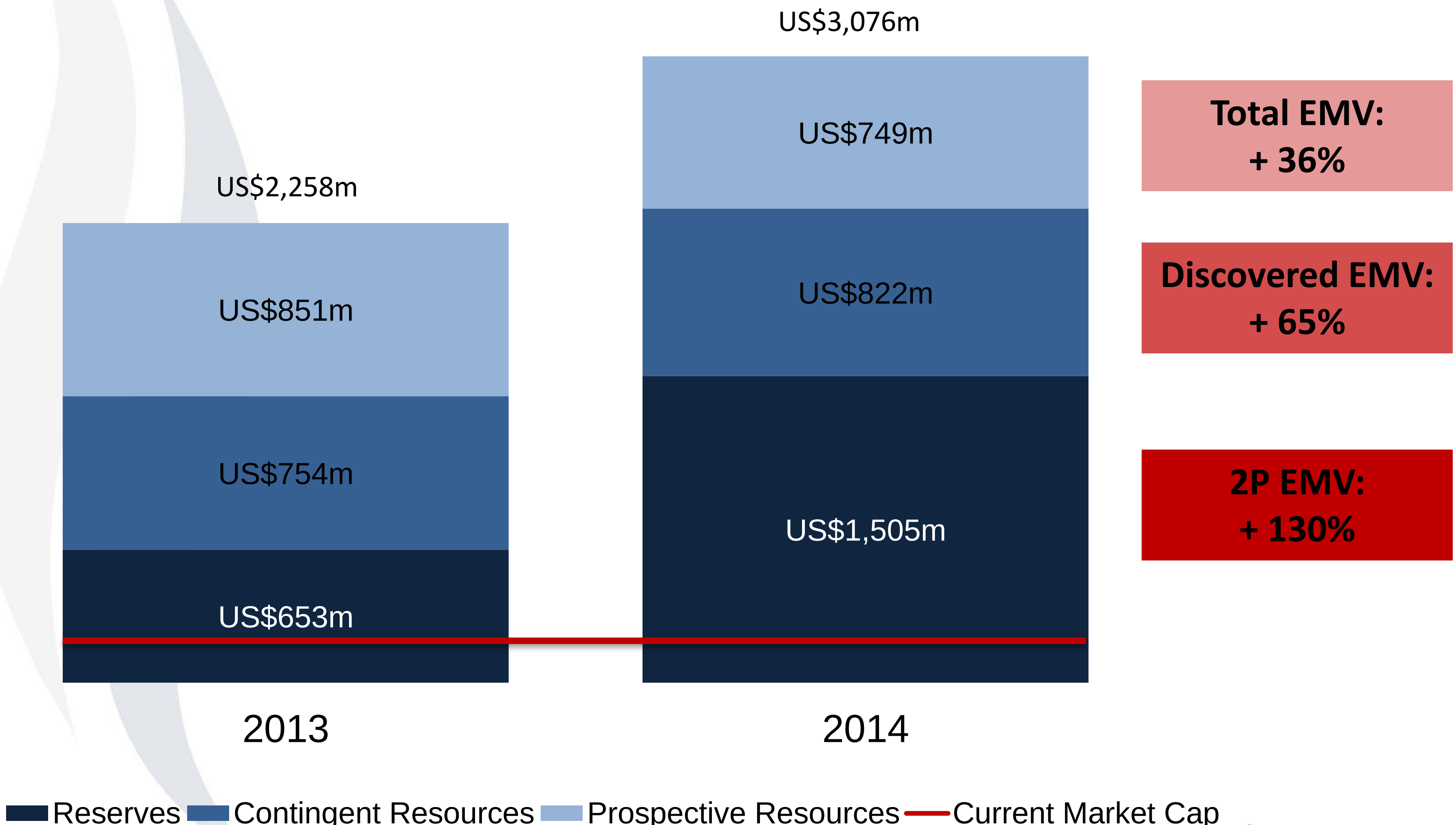


1 – To be read in conjunction with Resource Statement on slide 3.

2 – EMV is based on NPV_{10} with a mid-case gas price of US$9.76/Mscf and lifting costs (opex+capex) of ~US$1.3/Mscf for mid-case Reserves, Contingent & Prospective Resources.

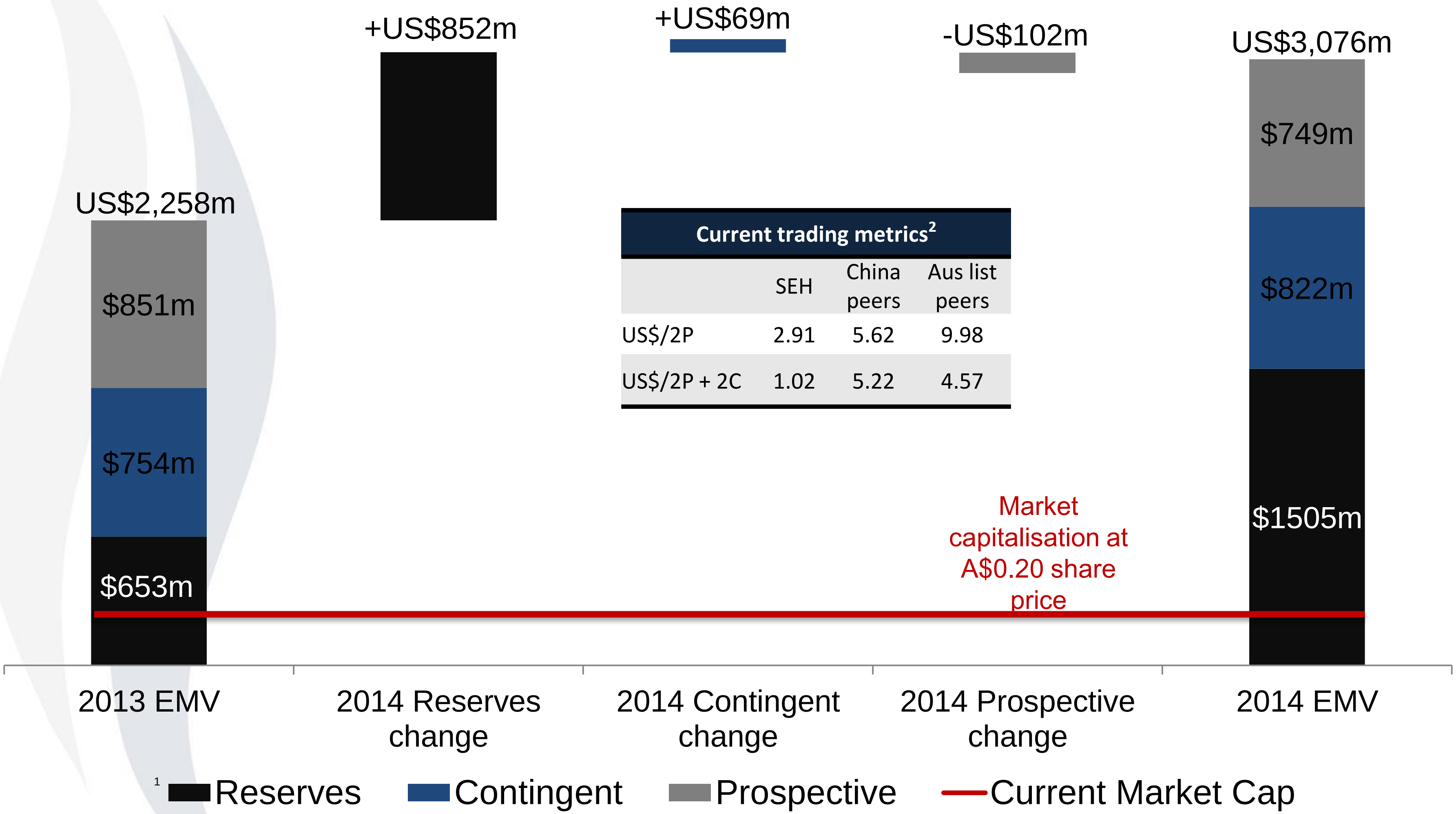
SINO Gas & Energy

RISC ASSESSMENT OF EXPECTED MONETARY VALUE



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$9.76/Mscf and lifting costs (opex+capex) of ~US$1.3/Mscf for mid-case Reserves, Contingent & Prospective Resources.

INCREASE IN EMV DRIVEN BY RESERVES



Current trading metrics[2]			
	SEH	China peers	Aus list peers
US$/2P	2.91	5.62	9.98
US$/2P + 2C	1.02	5.22	4.57

1 – Refer to Disclaimer & Resource Statement on slides 2-3 for full disclosure.
2 – As of February 27, 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

SINO Gas & Energy

RESOURCE AREAS

Linxing West, northwest portion of Sanjiaobei: Discovered deep CBM

- Now has sufficient wells and testing results to be entirely classified as discovered, split between reserves and resources depending on distance to nearest well

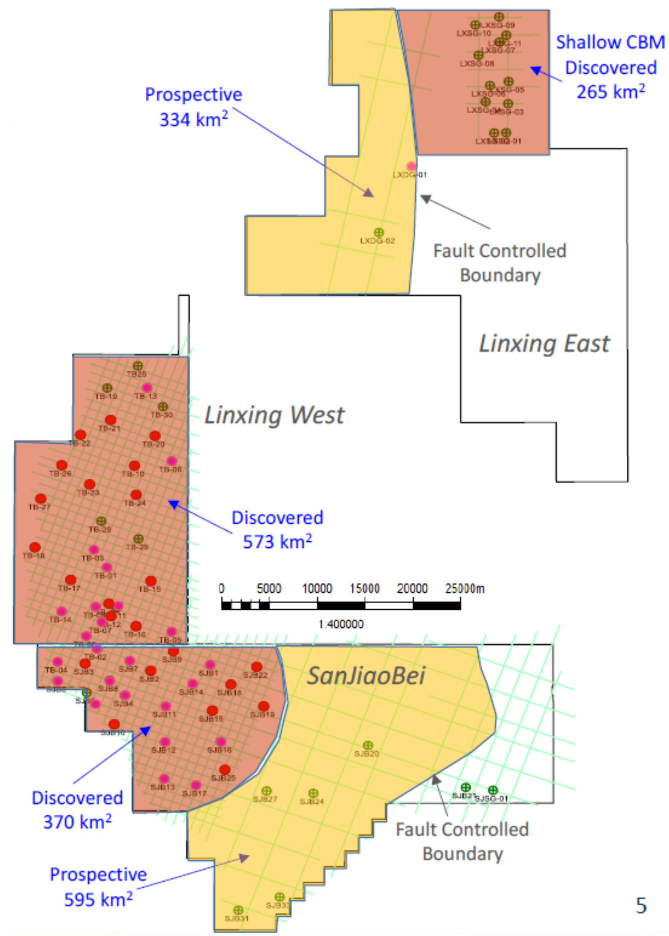
Linxing East (east of regional fault): Contingent shallow CBM

Linxing East (western portion): Prospective deep CMB

- Remains prospective subject to testing of recent exploration wells

Sanjiaobei central portion: prospective

- Well tests and additional wells to demonstrate mobile gas needed to be considered discovered

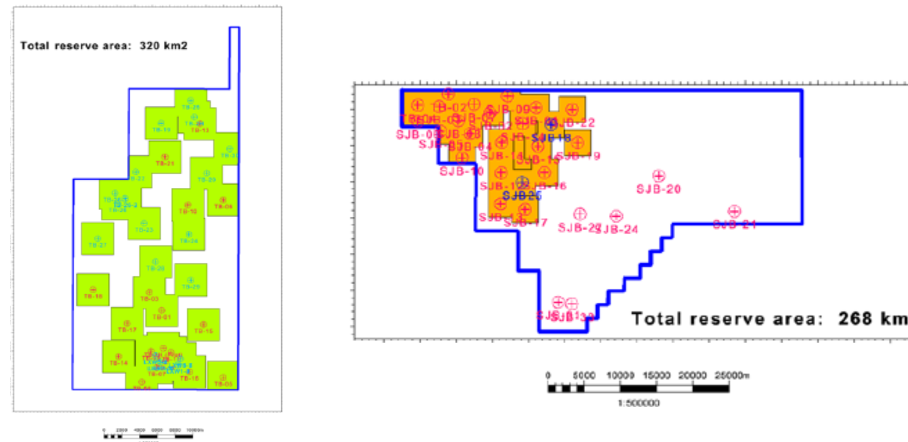


SINO Gas & Energy

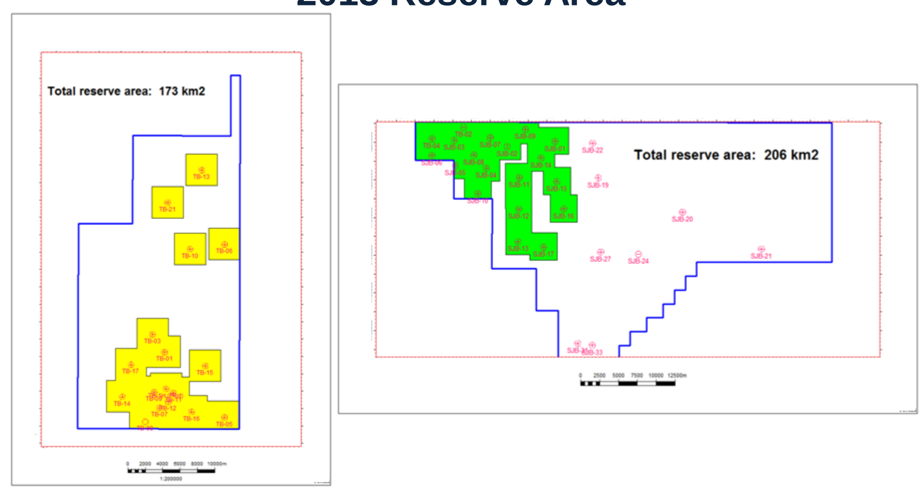
RESERVES UP 51%, FIRST PRODUCING RESERVES BOOKED

- Significant increase driven by new wells drilled and/or tested in 2014
- Reserve area increased by **55% to 588km²**
- 2P gross reserves now **1,608 bcf** gross (+51%), SEH share 448 bcf (75 mmboe)[1]
- Includes **24 bcf of developed producing reserves (gross)**

2014 Reserve Area



2013 Reserve Area



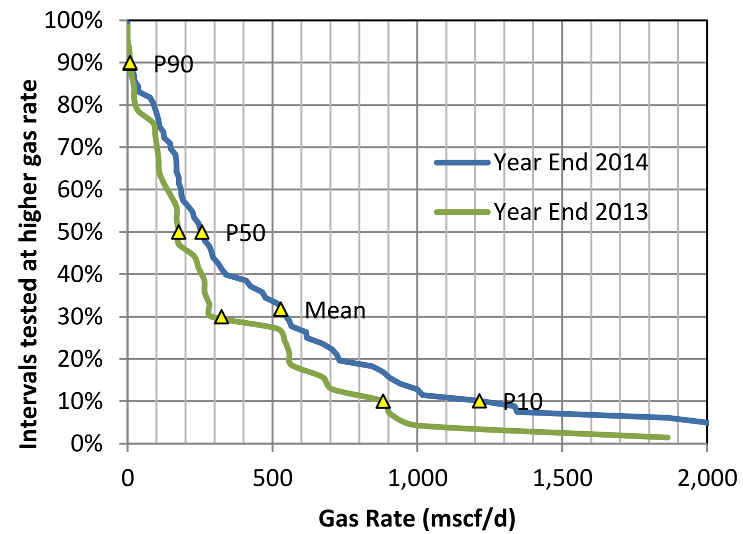
1 – To be read in conjunction with Resource Statement on slide 3.

SINO Gas & Energy

IMPROVING WELL TEST RESULTS

- **40 wells tested in 2014, nearly doubling total number of well tests to 79**
- **Mean interval test rate:** increased to 530 mscf/d from 310 mscf/d at YE13 (+70%)
- **P10 interval test rate:** increased to 1.2 MMscf/d from 900 mcf/d at YE13 (+33%)
- **First two horizontals drilled in 2014 which tested at 4.93 MMscf/d and 3.7 MMscf/d** (over 8 MMscf/d and 5 MMscf/d calculated at standard field operating pressures of 200 psi).

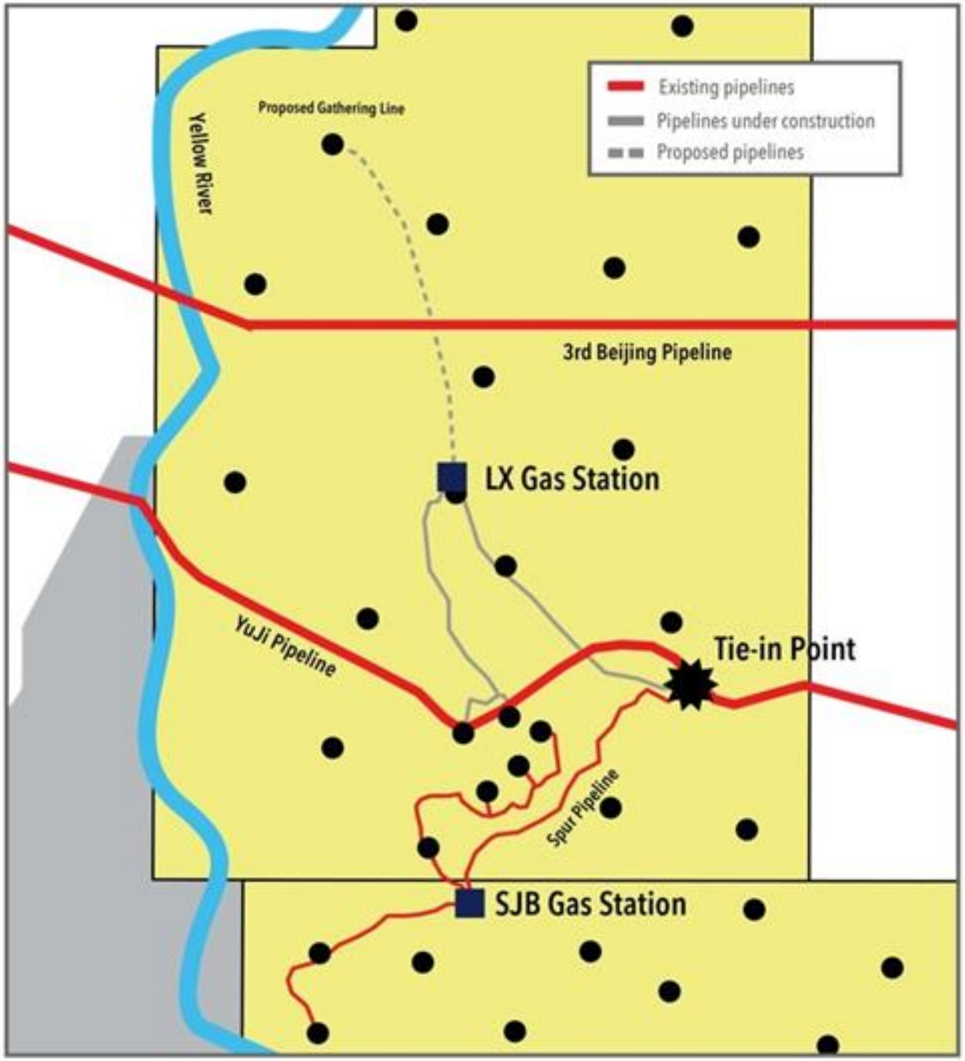
2014 saw significant improvement in interval well test rates



SINO Gas & Energy

2015 AGREED WORK PROGRAM

- Drilling 20+ vertical development wells
- Drilling additional 3 horizontal wells
- 8 exploration wells and testing, including southwest portion of Linxing East
- Linxing central gathering facility anticipated online by mid-2015, bringing total initial installed capacity to ~25 MMscf/day with space for expansion
- Ramping up production toward full installed capacity by year end
- Preparation of Overall Development Plan (ODP) for submission following Chinese Reserve Report approval
- Planning for next phase of capacity growth

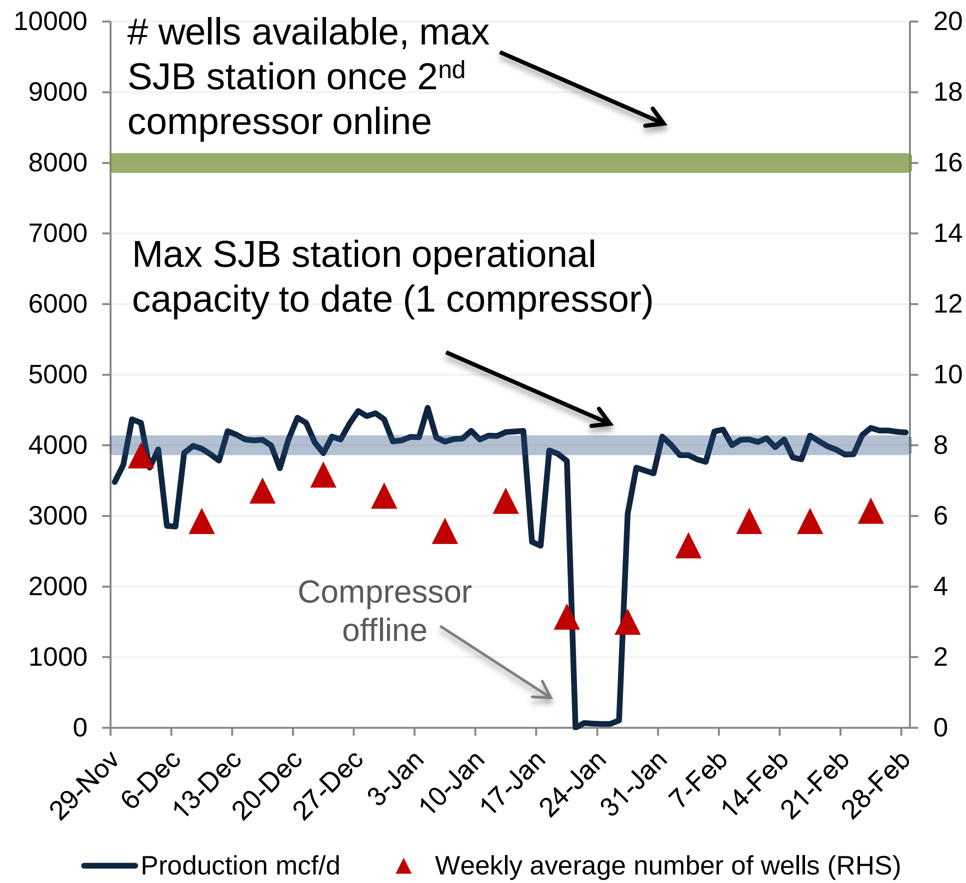


SINO Gas & Energy

RESULTS OF PILOT PRODUCTION TO DATE

- Production has been constrained by processing capacity
- First SJB compressor/separator online, capacity ~4 MMscf/d
- Second SJB compressor/separator to be brought on in March, bringing total capacity to ~8 MMscf/d
- 16 wells tied-in to facility but on average only 5-7 contributing at any given time
- Individual well performance has been slightly better than expectations
- Excellent uptime recorded with only 1 significant downtime incident

Production since December largely at max available processing capacity



SINO Gas & Energy

FULL FIELD DEVELOPMENT

- **Development is robust (remaining NPV positive) to key uncertainies tested by RISC including gas pricing, resource size, capital costs, start up timeline, operating costs**
- P50 discovered resources plateau production forecast >500 MMscf/d
- To support this plateau, >1,300 vertical wells expected (life of field), drilling >200 wells/year following ODP approval
- Well spacing of c.130 acres for deeper reservoirs, c.390 acres for shallower reservoirs
- Shallow reservoirs expected to recover 1.6 bcf/well; deeper reservoirs expected to recover 2.5 bcf/well (P50).
- Life of field capex (including drilling, facilities, pipeline etc) est. $2.5 billion for P50 discovered resources, equivalent to $0.6/mscf
- Average opex est. $0.5/mscf for P50 discovered resources
- Total opex + capex $1.10/mscf for P50 discovered resources

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$9.76/Mscf and lifting costs (opex+capex) of ~US$1.3/Mscf for mid-case Reserves, Contingent & Prospective Resources.

SINO Gas & Energy

NDRC GAS PRICE REFORMS EFFECTIVE 1 APRIL

- Price reform effective 1 April 2015 announced on 28 February 2015
- Robust prices maintained, City-gate prices expected to be flat to down ~5% from current blended prices
- “Existing” and “Incremental” industrial gas prices (based on 2012 volumes) harmonised
- “Existing” supply price increased RMB 0.04/m^3 (US$0.20/mcf)
  - Makes up ~70-90% of gas volumes depending on region
- “Incremental” supply price decreased RMB 0.44/m^3 (US$2/mcf)
  - Makes up ~10-30% of gas volumes depending on region
- Shanxi province harmonised gas price RMB 2.61/m^3 (US$11.79/mcf). Previous existing/incremental gas prices RMB 2.57/m^3 and RMB 3.05m^3 respectively
- Pilot scheme to allow upstream producers to negotiate directly with large industrial buyers

KEY CHINESE REGULATORY APPROVALS

2005 → 2014 — Data acquisition

- 82 deep wells drilled
- 66 wells tested, commercial flow rates established
- ~2000 km seismic
- Established gross reserves of over 1.6 tcf as of YE14

2014 → ODP — Pilot Program

- First production achieved 4Q14
- ~25 MMscf/d installed capacity by mid-2015
- Planning underway for >50 MMscf/d under pilot program

We are here — Chinese Reserve Report

- Submitted to PSC partners for internal review (~6-9 months)
- PSC partners submit to MOLAR for official approval (~3-6 months)
- Technical work for ODP can begin after key parameters agreed but before final CRR approval (~1 year)

2016 → 2017 — Overall Development Plan

- Submit Post CRR approval
- Approval expected to take ~1 year
- Progressive ramping up while interim approvals received

CHINESE REGULATORY APPROVAL PROCESS

Data acquisition

- **What it is:** Standard exploration and appraisal program to assess the potential of an oil or gas field. Needs seismic, well results and testing data to delineate the field.
- **What has been done:** SGE has acquired >2,000 km 2D seismic, drilled 82 deep wells and tested 66 deep wells
- **Phase complete:** No further data acquisition required at this time for existing discovered area

Chinese Reserve Report (CRR)

- **What is it:** A comprehensive sub-surface evaluation of the field
- **What has been done:** SGE, as operator, has prepared the CRR on behalf of the PSC partners and submitted to our State Owned Enterprise partners for internal review.
- **What is yet to do:** State Owned Enterprise (SOE) partners review internally and once approved, submit to Ministry of Land and Resources (MOLAR). SOE internal process ~6-9 months, MOLAR approval takes ~3-6 months from SOE submission

SINO Gas & Energy

CHINESE REGULATORY APPROVAL PROCESS

Overall Development Plan

- **What is it:** Comprehensive plan outlining the planned development of reserves approved in the CRR. Requirements include (amongst others):
  - Sub-surface development plan
  - Facilities and pipeline
  - Environmental Impact Assessment
  - Economic analysis
  - Land lease pre-assessment
- **Work beginning concurrent with CRR:** Technical work can begin before final approval of the CRR, will take ~1 year to compile all necessary studies
- **Necessary approvals:** Requires approvals at various different government levels from the national level (National Development and Reform Commission) on behalf of the State Council down to the local (county) level. Interim approvals expected before final approval.
- **Timeline: ~6-12 months from submission for approval.** Reforms have been implemented in the last year to speed up the process as part of China's efforts to reduce bureaucratic delays. These include decentralising greater decision making to the SOEs as our PSC partners.

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[1]	Cash Flow From Operations
Shareholder Focus	Close The Value Gap	Maximise Shareholder Return

1 – As at 31 December 2014

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

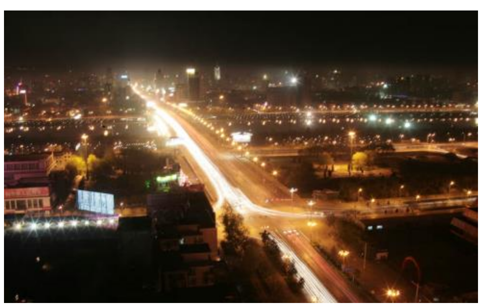
SINO Gas & Energy

CONTACTS

For more information, please contact:

Investor Relations
+86 10 8458 3001
1300 746 642 (local call within Australia)
ir@sinogasenergy.com

Our latest announcements and presentations can be found on our website:
www.sinogasenergy.com

SINO Gas & Energy