

3 June 2015

To Shareholders

Dear Sir/Madam

Sino Australia Oil and Gas Limited (Provisional Liquidator Appointed) (the Company) ACN 159 714 397

I was appointed as Provisional Liquidator to the Company on Thursday, 21 May 2015 pursuant to an Order of the Federal Court of Australia.

I advise that, amongst other things, I have been ordered to investigate the affairs of the Company, including the identification of its assets and liabilities and to provide the Court with an opinion in relation to the solvency of the Company. I will report to the Company's shareholders on my actions taken during the provisional liquidation in due course.

Following my appointment, Mr Matthew Jess and Mr Christopher Darin of Worrells retired from their positions as Voluntary Administrators of the Company and are no longer in control of the Company.

I now control the Company and am assessing the Company's financial position. I raise the following matters regarding the provisional liquidation.

1 IMPORTANT INFORMATION FOR SHAREHOLDERS

1.1 Suspension of trading

As shareholders are aware, trading of the Company's shares has been suspended on the ASX since 3 March 2014. The shares will remain suspended during the provisional liquidation.

1.2 Capital Gains Tax

Pursuant section 104-145(1) of the Income Tax Assessment Act 1997, a liquidator can only make a declaration that shares in a company are worthless if there is no likelihood that shareholders of the company, will receive any distribution for their shares.

It is unclear at this point in time whether a distribution will be made to shareholders; therefore I am unable to make this declaration for shareholders at present.

Shareholders should seek their own taxation advice in relation to the above.

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1.3 Reporting and Annual General Meeting (AGM) relief

I advise that I have applied to ASIC to obtain relief under (CO 03/0392) (Class Order) from the Company's obligations to prepare and lodge audited financial directors reports and to extend the period within which the Company is required to hold its AGM under s250P of the Corporations Act 2001.

2 LEGAL PROCEEDINGS

The appointment of Provisional Liquidator stays a proceeding in a court against the Company. You cannot commence or continue a proceeding against the Company without my written consent or the leave of the Court.

3 INVESTIGATIONS

The Company's directors have been requested to prepare a Report as to Affairs which would set out details of the Company's business, property, affairs and financial circumstances as at the date of my appointment.

An investigation of the Company's affairs will be conducted. Shareholders who have any information which would assist my investigation are requested to write to me setting out full particulars.

5 ESTIMATED OUTCOME FOR SHAREHOLDERS

At this stage, it is uncertain whether the provisional liquidation of the Company will transition to a liquidation. Accordingly, at present, I do not intend to formally fix a day on or before which shareholders must submit particulars of their claims.

6 FURTHER INFORMATION

Updates for shareholders will be provided from time to time by the Provisional Liquidator on the Ferrier Hodgson website and on the ASX Market Announcement Platform. A copy of the Information Sheet "Insolvency – a guide for shareholders" can be downloaded from www.asic.gov.au.

For further information concerning the provisional liquidation process and Ferrier Hodgson, you may wish to visit our website at www.ferrierhodgson.com. Questions regarding the provisional liquidation should be directed to Ben Kite of this office on (03) 9604 5164.

Yours faithfully

Sino Australia Oil and Gas Limited



Peter McCluskey
Provisional Liquidator