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27 November 2013

## SUCCESSFUL \$53 MILLION PLACEMENT

Sino Gas & Energy Holdings Limited (ASX: SEH, “Sino Gas” or the “Company”) is pleased to announce an agreement to raise A\$53 million (before issue costs) via a two tranche placement (“Placement”) of 265 million new ordinary shares at an issue price of A\$0.20 per share to qualified institutional and sophisticated investors.

The funds raised via the Placement will be used to progress the Company’s forward programme of seismic, drilling and development on its production sharing contracts and provide additional working capital.

The Placement shares will be issued via two tranches:

- tranche 1 - approximately 189.6 million shares issued under the Company’s available 15% capacity pursuant to ASX Listing Rule 7.1 (to raise approximately \$37.9M), scheduled to settle on Tuesday, 3 December 2013; and
- tranche 2 - approximately 75.4 million shares (to raise approximately \$15.1 million) subject to shareholder approval at a General Meeting of the Company’s shareholders, expected to be held on Monday, 30 December 2013. A Notice of Meeting will be dispatched to all shareholders shortly.

Commenting on the Placement, Managing Director and CEO Mr Robert Bearden said, “Sino Gas is delighted with the strong demand and support shown for the Placement, from both new and existing institutional and sophisticated investors. Sino Gas is in an exciting phase of development of its unconventional gas assets in China’s Ordos Basin and is very focused on commercialising the assets and increasing shareholder value”.

Euroz Securities Limited and Argonaut Securities (“Argonaut”) acted as joint lead managers to the Placement and Argonaut acted as bookrunner.

Additional information regarding the Placement can be found in the Investor Presentation released separately to the ASX.

For more information, please contact:

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Our latest announcements and presentations can be found on our website:  
[www.sinogasenergy.com](http://www.sinogasenergy.com)

## About Sino Gas & Energy Holdings Limited

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Sino Gas & Energy Holdings Limited ("Sino Gas" ASX: SEH) is an Australian energy company focused on developing Chinese unconventional gas assets. Sino Gas holds a 49% interest in Sino Gas & Energy Limited ("SGE") through a strategic partnership completed with MIE Holdings Corporation ("MIE" SEHK: 1555) in July 2012. SGE has been established in Beijing since 2006 and is the operator of the Linxing and Sanjiaobei Production Sharing Contracts (PSCs) in the Ordos Basin, Shanxi province.

SGE's interest in the Linxing PSC with CUCBM is 64.75% and 49% for the Sanjiaobei PSC held with PCCBM. SGE has a 100% working interest during the exploration phase of the PSC, with SGE's PSC partners being entitled to back-in upon Overall Development Plan (ODP) approval, by contributing development and operating costs in line with their PSC interest.

The PSCs are located in the Ordos Basin and cover an area of approximately 3,000km<sup>2</sup>. The Ordos Basin is the second largest onshore oil and gas producing basin in China. The region has mature field developments with an established pipeline infrastructure to major markets. Rapid economic development is being experienced in the provinces in which Sino Gas' PSCs are located and natural gas is seen as a key component of clean energy supply in China.

## Resources Statement & Disclaimer

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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 recognized oil and gas consultants RISC (October 2013). 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. 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<sub>10</sub> is based on a mid-case gas price of \$US8.79/Mscf and lifting costs (opex+capex) of ~ US\$1.3/Mscf for mid-case Reserves, Contingent & Prospective Resources. All resource figures quoted are unrisks 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.

Certain statements included in this announcement constitute forward looking information. This information is based upon a number of estimates and assumptions made 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. This announcement should be read in conjunction with the Investor Presentation released to separately to ASX in connection with the Placement, including the risks set out in the Investor Presentation and the important notices contained in that document. 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 announcement 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.

This announcement does not constitute an offer, and may not be used in connection with an offer to sell or issue or the solicitation of an offer to buy or subscribe for new shares in the Company in any jurisdiction. No public offer of securities is being made in any jurisdiction. This announcement does not constitute an offer to sell or the solicitation of an offer to buy securities in the United States nor shall there be any sale of the securities in any jurisdiction in which such an offer, solicitation or sale would be unlawful. The securities offered pursuant to the Placement have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws and may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S under The Securities Act in compliance with the registration requirements or an applicable exemption from the registration requirements of The Securities Act and applicable state securities laws.