

2 January 2018

## **SANJIAOBEI ODP SUBMITTED FOR APPROVAL**

Sino Gas & Energy Holdings Limited (ASX: SEH, "Sino Gas" or the "Company") is pleased to announce that the Sanjiaobei Overall Development Plan ("ODP") has been submitted to Sino Gas & Energy Limited's ("SGE") PSC partner PetroChina CBM ("PCCBM") for approval, representing an important regulatory milestone in the development of the Sanjiaobei PSC.

The ODP was compiled in collaboration with PCCBM and accounts for ~60% of the current discovered area of Sanjiaobei. Future ODP submissions to support the development of the remaining discovered and prospective areas will be appended to this initial ODP and are more administrative in nature.

With both the Linxing and Sanjiaobei ODPs now submitted, Sino Gas continues to work closely with its PSC partners to plan future drilling activity and production processing expansion to facilitate the continued ramp up of pilot production concurrent with approval processes.

The Company expects both ODPs to be approved in the first half of 2018.

### **Sino Gas' Managing Director Glenn Corrie said,**

*"We are pleased that the first Sanjiaobei ODP has been submitted to our partner PCCBM, closely following the Linxing ODP submission. We expect to obtain both ODP approvals in the first half of 2018 as we continue to observe initiatives to shorten regulatory approval timelines to bring on new sources of domestic gas supply to meet ongoing exceptionally high natural gas demand growth."*

*Sino Gas enters 2018 with strong momentum with the submission of both ODPs, recently announced substantial gas price increase for Sanjiaobei production and record total production rates".*

### **Sino Gas & Energy Holdings Limited**

Investor Relations

+86 10 8458 3001

1300 746 642 (local call within Australia)

[ir@sinogasenergy.com](mailto:ir@sinogasenergy.com)

## 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.

SGE's interest in the Linxing PSC with CUCBM (a CNOOC wholly-owned subsidiary) is 70% and 49% for the Sanjiaobei PSC held with PCCBM (a Petrochina wholly-owned subsidiary). SGE has a 100% working interest during the exploration phase of the PSC, and SGE's PSC partners are entitled to participate upon Overall Development Plan (ODP) approval up to their PSC working interest by contributing their future share of costs.

Sino Gas also holds an option to acquire a 5.25% participating interest from SGE (assuming full SOE partner participation) in the Linxing PSC at ODP by contributing 7.5% of historical back costs to SGE. Upon exercise of the option, Sino Gas will hold the largest net working interest in the Linxing PSC.

The PSCs cover an area of approximately 3,000km<sup>2</sup> 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 the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to gas prices, exploration, acquisition, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability, potential title disputes and additional funding requirements. 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 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.