



5 September 2018

SCHEME MEETING: CHAIRMAN'S ADDRESS

Please find attached to this announcement a copy of the Chairman's address which will be given by Philip Bainbridge to the attendees of the Sino Gas & Energy Holdings Limited (ASX: SEH, the "Company" or "Sino Gas") Scheme Meeting to be held today at 10.00am (Sydney time) at the Museum of Sydney, Warrane Theatre, Level 2, Corner of Philip and Bridge Streets, Sydney, NSW 2000.

Yours sincerely

Harry Spindler

COMPANY SECRETARY



Sino Gas & Energy Holdings Limited - Scheme Meeting Chairman's Address

Good morning ladies and gentlemen,

I am Philip Bainbridge, Chairman of Sino Gas & Energy Holdings Limited ("Sino Gas") and on behalf of the Board of Directors I am pleased to welcome you to today's Scheme Meeting.

On 31 May 2018, Sino Gas announced that it had entered into a Scheme Implementation Agreement with a wholly-owned subsidiary of Lone Star Fund X Acquisitions, LLC (together with its affiliates, "Lone Star"), under which Lone Star proposed to acquire 100% of the issued share capital of Sino Gas by way of scheme of arrangement for cash consideration of A\$0.25 per Sino Gas Share (the "Scheme").

A Scheme Booklet containing the Independent Expert's Report and key details of the Scheme was dispatched to Sino Gas Shareholders on 1 August 2018. In the Scheme Booklet the independent expert, Grant Thornton Corporate Finance, concluded that the Scheme is in the best interests of Sino Gas Shareholders, in the absence of a superior proposal.

I can confirm that Sino Gas has not received a superior proposal.

The Sino Gas Board unanimously recommends that Sino Gas Shareholders vote in favour of the Scheme today. Each Sino Gas Director intends to vote any and all Sino Gas Shares held or controlled by them in favour of the Scheme.

The Directors believe the Scheme Consideration represents an attractive premium to recent historical trading prices of Sino Gas shares, and that Sino Gas Shareholders will receive certain value for their investment in Sino Gas and avoid the ongoing risks and uncertainties associated with Sino Gas' business as outlined in the Scheme Booklet.

If the Scheme is approved by Sino Gas Shareholders at today's meeting, the timetable to implement the Scheme and pay Sino Gas Shareholders their Scheme Consideration is proposed to be as follows:

- The Second Court Date for approval of the Scheme will take place at 9.15am (Sydney time) on Tuesday, 11 September 2018 at the Federal Court of Australia New South Wales Registry.
- If the Court approves the Scheme, a copy of the Court order approving the Scheme will be lodged with ASIC on Wednesday, 12 September 2018, and the Scheme will become effective. Sino Gas will then apply to the ASX for its Shares to be suspended from official quotation on the ASX from the close of trading on the same day.



Sino Gas Shareholders on the register at 5.00pm (Sydney time) on Friday, 14 September 2018 will be
entitled to receive the cash consideration of A\$0.25 per Sino Gas Share, which is expected to be paid
on Wednesday, 19 September 2018.

I would like to thank all Sino Gas Shareholders for their attendance today either in person or by proxy.

Thank you.

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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.

The Linxing PSC is held with CUCBM (a CNOOC wholly-owned subsidiary) and the Sanjiaobei PSC is held with PCCBM (a PetroChina wholly-owned subsidiary). SGE's PSC partners are entitled to participate up to their 51%-PSC participating interest by contributing their future share of costs.

Sino Gas also holds an option to acquire 7.5% of SGE's participating interest in the Linxing PSC by contributing 7.5% of historical back costs to SGE (3.675% interest assuming full CUCBM participation).

The PSCs cover an area of approximately 2,000km² 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, or on behalf of, the Company. Such factors include, among other things, risks relating to gas prices and currency fluctuations; exploration and estimating reserves; development, production and operating risks; competition; regulatory restrictions or failure to obtain necessary approvals and licenses; environmental harm and liability; potential issues with obtaining land access and title disputes; and additional funding requirements. Details of the Company's material business risks are set out in its annual report. 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 except as required by applicable law the Company does not undertake any obligation to update publicly such forward-looking information, whether as a result of new information, future events or results or otherwise.