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NEWS RELEASE

PRIMELINE Q2 SEES BETTER REVENUES

Primeline Energy Holdings Inc. (“**Primeline**” or the “**Company**”) (TSXV: PEH) today announced that it has filed its interim unaudited financial statements for the quarter ended September 30, 2015 (Financial Q2) and related management discussion and analysis (MD&A). Copies of these documents may be obtained at www.SEDAR.com under Primeline’s profile or on Primeline’s website at www.pehi.com.

Financial Q2 results saw improved off take volumes over previous quarter

Primeline’s results for the quarter saw an increase in off take volumes by Zhejiang Gas, the sole customer for the LS36-1 gas, versus the prior quarter. Revenues from oil and gas sales increased to RMB 29,583,588 (CAD\$6,255,781) in the Financial Q2 from RMB 6,078,216 (CAD\$1,214,914) in the previous period. Despite the better revenues, there was a greater loss of RMB 76,518,266 (CAD\$16,180,644) compared to the loss of RMB 27,210,855 (CAD\$5,438,907) for the previous quarter. This deterioration resulted primarily from translation effects on our US dollar denominated bank loan as a result of the weaker Chinese currency.

As of September 30, 2015, Primeline held cash resources of RMB 298,070,052 (or approximately CAD\$63 million) of which RMB 150,000,000 (CAD\$31,719,180) is held in a long-term bank deposit account classified as a non-current asset. There was no debt repayment obligation during the quarter but the Company made its scheduled capital repayment of US\$21 million on November 20, and intends to make an interest payment of approximately US\$7 million in December 2015.

Update on Gas Sale Contract discussions

As reported in previous quarters, the substantial build out of long distance pipeline infrastructure and LNG terminals along China’s East Coast, the general slowdown of China’s economy and the decline in the oil price since 2014, have led to an oversupply of gas in the region. The main suppliers to the East China gas market responded by lowering prices and this led to reduced demand



for LS36-1's gas, particularly in the previous quarter, as well as pressure from Zhejiang Gas to adjust prices.

During the quarter, CNOOC China Limited ("CCL") and Primeline continued their negotiations with Zhejiang Gas to try to settle the issues related to gas sale and pricing in the Gas Sale Contract. Primeline welcomes the better off take seen in the quarter under review and noted that subsequently there has been continuous off taking from mid-October to date.

CCL and Primeline have requested that Zhejiang Gas ensure that the 2015 annual volume of gas for off take is in line with the annual "take-or-pay" volume of 195 million cubic metres (mcm) for 2015 in accordance with the Gas Sale Contract. CCL and Primeline anticipate full collection of amounts owing associated with the 'take or pay' contractual arrangement.

Primeline believes longer-term fundamentals remain positive given the underlying growth prospects of the Chinese gas market even in the context of the country's widely reported lower short-term economic growth. Currently gas represents only 5% in China's energy mix and 3% in Zhejiang Province, compared with 25% internationally. With the further development of regional and local gas grids, Primeline believes gas consumption will continue to expand in China, particularly in East China, and that current surplus capacity will be quickly absorbed by the anticipated growth.

About Primeline Energy Holdings Inc.

Primeline is an exploration and production company focusing exclusively on China natural resources to become a major supplier of gas and oil to the East China market. Primeline has a 100% Contractor's interest in, and is the operator of, the petroleum contract with CNOOC for Block 33/07 (5,877sq km) and a 49% interest in the producing LS36-1 gas field in Block 25/34, together with CNOOC (51% interest and acting as Operator). Both blocks are located in the East China Sea. LS36-1 has been in production since July 2014. Shares of Primeline are listed for trading on the TSX Venture Exchange under the symbol PEH.



ON BEHALF OF PRIMELINE ENERGY HOLDINGS INC.

“Ming Wang”
Ming Wang
Chief Executive Officer

CONTACT:

PRIMELINE ENERGY HOLDINGS INC.

Dr. Ming Wang
CEO
Phone: +44 207.499.8888
Fax: +44 207.499.2288
Toll Free: +1 877.818.0688
Email: IR@pehi.com

CHF INVESTOR RELATIONS

Cathy Hume
CEO
Phone: +1.416.868.1079 x231
Toll Free: +1.877.838.1079
Email: cathy@chfir.com

VSA CAPITAL LIMITED

Andrew Raca
Head of Corporate Finance
Phone : +44 203.005.5000
Email: ARaca@vsacapital.com

Please visit the Company's website at www.pehi.com. Should you wish to receive Company news via email, please email john@chfir.com and specify "Primeline Energy" in the subject line.

Forward-Looking Statements

Some of the statements in this news release contain forward-looking information, which involves inherent risk and uncertainty affecting the business of Primeline. These statements relate to Primeline's expectation that Zhejiang Gas will honour their obligations under the Gas Sale Contract with regard to the take or pay quantities. Although management believes these assumptions to be reasonable, actual results may vary from those anticipated in such statements. Zhejiang Gas may not honour their contractual obligation and if so, the Company's financial situation will be badly affected. The Company assumes no obligation to update forward-looking information except as required by law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.