



Primeline Energy Holdings Inc:
Producing to China's dynamic gas
market and monetizing upside

June 2015



The independent E&P play on China's dynamic gas market

1. TSX-V listed E&P China gas play with clean balance sheet (no convertible etc.) and strong management team.
2. \$700m+ regional production infrastructure hub in East China Sea in partnership with CNOOC has secured access to the high price East China gas market.
3. Quarter ended Dec 31 2014 cash flow from LS36-1 gas field cash and equivalents of C\$24.5 million.
4. Expected EBITDA of C\$80 million net to PEH * in 2015.
5. 2015+ plan to monetise 1.4 TCF of high margin hydrocarbon upside (14x the current field) in the field and in our 5,877 km² exploration concession.
6. Excellent entry point as the current valuation reflects neither operational progress to date - 3P NPV10 of C\$1.16/share nor upside with net risked 2C of C\$2/share at \$12/boe from both infield and exploration.

**pro-forma post PPC acquisition*

Structure and assets

- PEH has announced plans to acquire its affiliate Primeline Petroleum Corporation (“PPC”). PPC is 100% controlled by Victor Hwang, PEH Chairman/majority shareholder. The transaction is expected to complete on July 30th.
- PEH has 75% and PPC has 25% of Contractors’ Rights in 2 Petroleum Contracts in the East China Sea – Block 25/34 and Block 33/07 - granted on very favourable fiscal terms:
- Block 25/34: the LS36-1 gas field (85 km²); Operator: CNOOC (51%), PEH/PPC (49%). McDaniel Proved + Probable (2P) reserves estimates at July 2014 of 14.9 Mmboe (Gas: 68.1 bcf, Liquids: 3.6 MMbbl).
- Block 33/07: 7 year exploration period of three phases (3, 2, 2 years) from Nov 2012 (5,877 km²). Operator: PEH/PPC (100%). Minimum work program in phase 1: 600 km² of 3D and 2 wells. Contractors responsible for 100% of all exploration costs. CNOOC has right to participate in up to 51% of any commercial development by paying pro rata development and operation costs.

East China gas market - High growth, high price



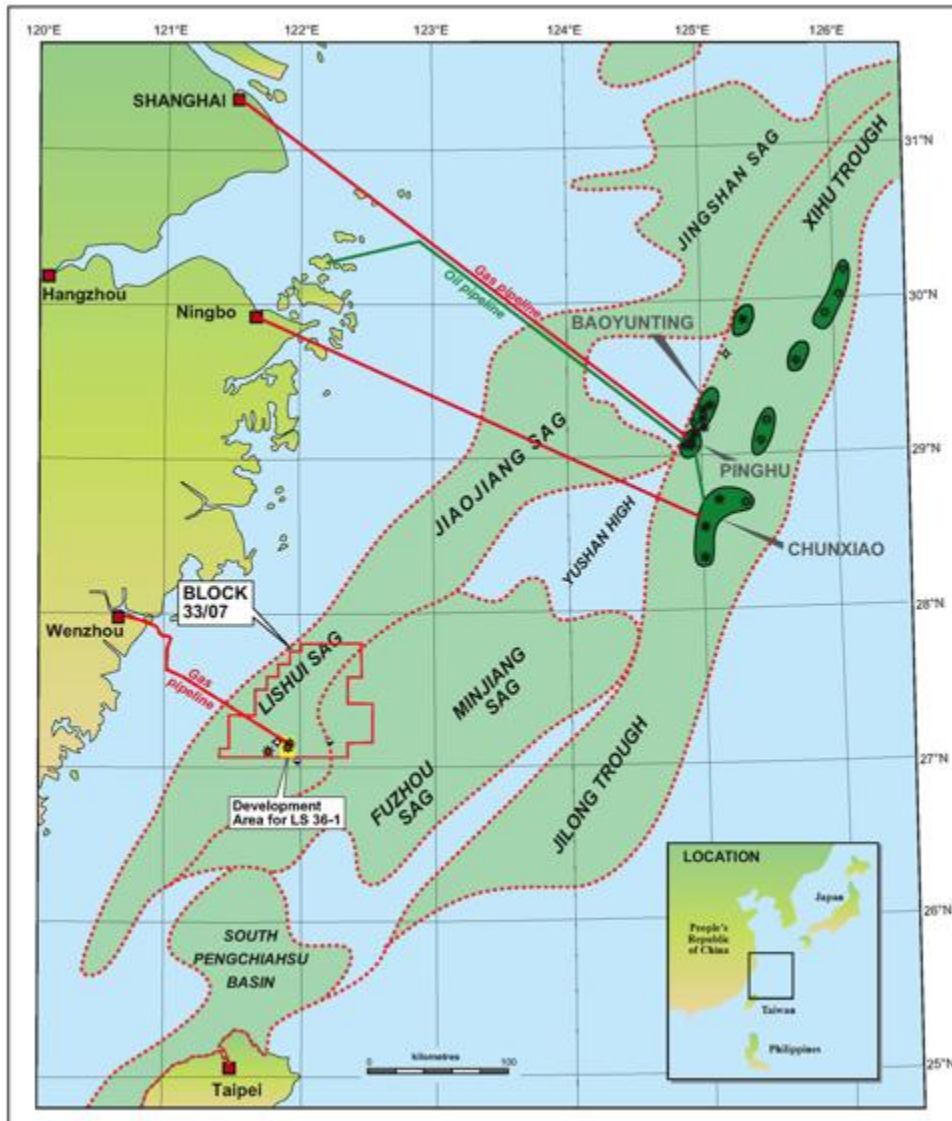
- **China's dynamic economic growth in the past 25 years has created the world's 2nd largest energy market.**
- **China's current energy needs are met mostly by coal and oil (58% of the latter is imported) and, insignificantly, by gas at just 5 % of total energy mix.**
- **Increased gas utilisation has become a focus of Chinese government energy policy.**
- **Much of the rapid increase in gas demand in East China is now met by imports via LNG and long distance pipelines.**
- **Gas prices in East China are strong and reflect the influence of the Far East LNG price and its position as the most populous/developed part of China.**

Access to Zhejiang gas grid



- LS36-1 is a strategic gas field close to Zhejiang Province - population of 50 million
- 4th largest economy in China.
- Current Zhejiang gas grid usage is at ~6.8 bcmpa (has doubled in just 4 years).
- But gas is only 2.8% of total energy mix.

East China Sea becoming a significant gas production basin



- Proven petroleum province.
- New E&P focus in Xihu Trough (Basin) in northern East China Sea, anchored on two existing fields:
 - Pinghu Field: onstream in 1998, 386 km 14” pipeline to Shanghai terminal; and
 - Chunxiao Field: onstream in 2006, 360 km 28” pipeline to Ningbo and 4 production platforms. Expansion development underway.

LS36-1: Infrastructure hub is completed



- Platform facility
- 4 development wells
- Subsea pipeline: 126.9km to onshore terminal
- Sale gas pipeline: 32 km - to grid

LS36-1: Budget, Expenditure and Project Finance

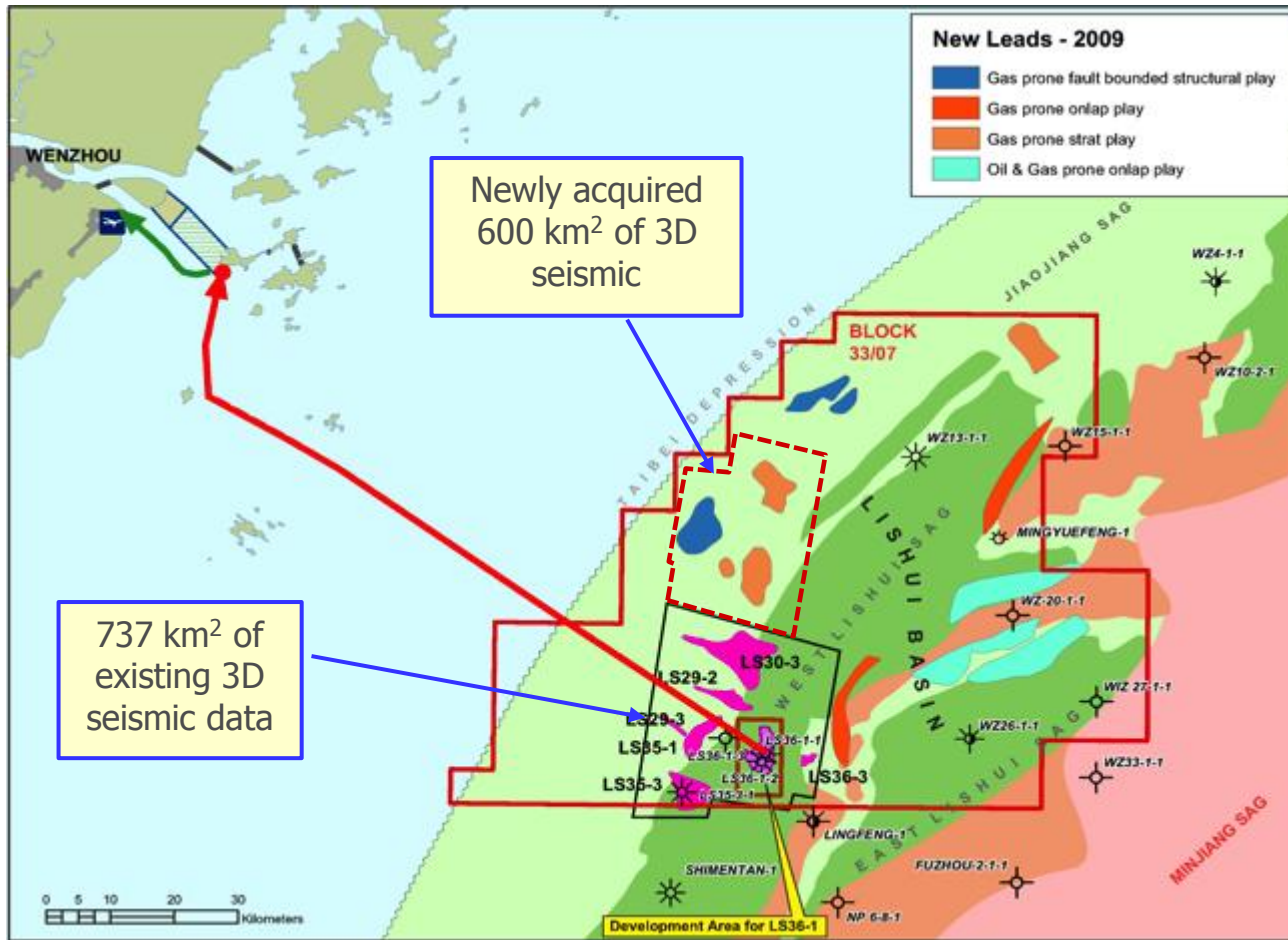
- Total investment budget circa US\$ 727M including Development Capex circa US\$ 608M, some yet to spend.
- Primeline's share of Capex (PEH+PPC 49%: US\$ 297M) was fully carried by CNOOC until Dec 2014.
- A syndicate loan of US\$ 274M, coupon c.5% financed PEH/PPC's full share of their LS36-1 development costs.
- Syndicate led by China Development Bank (CDB) and EXIM Bank with SPD Bank; total paid development cost is US\$ 260M.

LS36-1 Development Total Investment Budget			As approved in Nov 2011
	RMB M	Convert to US\$ M	
Exploration Investment	469.4	73.9	Spent under Block 25/34 so far
Development Cost	3,861.3	608.1	
Abandonment Cost	284.5	44.8	
Total	4,615.2	726.9	
Assuming US\$/RMB	6.3495	As in Nov. 2011	

Valuation has not yet reflected impressive operational progress



Strategy leverages infrastructure hub to monetize upside



- Development completed for LS36-1 gas field, secured market access and built regional production infrastructure hub.
- Farm-out underway for high impact exploration in the immediate vicinity and the rest of the Block anchored around the producing LS36-1 facility.



High margin resource additions from both our blocks

- **2015+ plan to monetise 1.4 TCF of high margin hydrocarbon upside (14x the current field) in the field and in our 5,877 km² exploration concession.**
- **Substantial possible reserves and prospective resources in the field itself, through “phase 2 development drilling”.**
- **Significant potential in nearby prospects that have been defined by 1300 sq. km plus of 3D seismic data.**
- **Additional hydrocarbon potential supported by existing 2D seismic evaluation along the trend to north adds 2-4 times more gas potential in same play type.**
- **Seven regional wells in and around the basin have hydrocarbon shows or flows.**
- **Farm out process underway with 2 additional wells to be drilled in 2015.**

Prospective resources of 1.4TCF (McDaniel)

Prospective Resources - Natural Gas							
Prospect		Prospective Resources - Unrisked (1)				Risked (2) Resources	Chance of Success
		Low	Medium	Mean	High	Mean	
		MMcf	MMcf	MMcf	MMcf	MMcf	%
LS36-1	Paleocene-M1-0	2,725	5,513	6,370	11,087	4,644	73
LS36-1	Paleocene-M1-1 South	1,759	3,965	4,779	8,931	3,484	73
LS36-1	Paleocene-M2	5,046	14,464	18,934	38,513	11,360	60
LS36-1	Paleocene-M3	14,187	31,725	37,210	67,032	26,047	70
LS36-1	Paleocene-L1	8,351	23,772	32,862	69,109	16,431	50
LS36-1	Paleocene-L2	2,379	5,363	6,444	11,822	2,577	40
LS30-8	Paleocene-M2	9,136	27,070	36,195	73,148	7,601	21
LS36-1 Development Area (Sub total)		43,584	111,871	142,794	279,641	72,145	
LS30-3	Paleocene-M1-1	14,631	32,007	38,820	71,810	10,870	28
LS30-3	Paleocene-M1-2	43,387	178,831	315,221	727,991	88,262	28
LS29-2	Paleocene-M1-2	19,016	47,306	60,442	117,561	14,506	24
LS29-3	Paleocene-M1-2	7,090	22,601	32,984	70,620	7,124	22
LS35-1	Paleocene-M1-2	14,592	38,521	51,441	105,723	7,407	14
Block 33/07 3D Seismic Area(Sub total)		98,715	319,266	498,907	1,093,706	128,170	
Total (3)		142,299	431,137	641,701	1,373,347	200,314	

(1) There is no certainty that any portion of the prospective resources will be discovered. If discovered, there is no certainty that it will be economically viable or technically feasible to produce any portion of the resources.

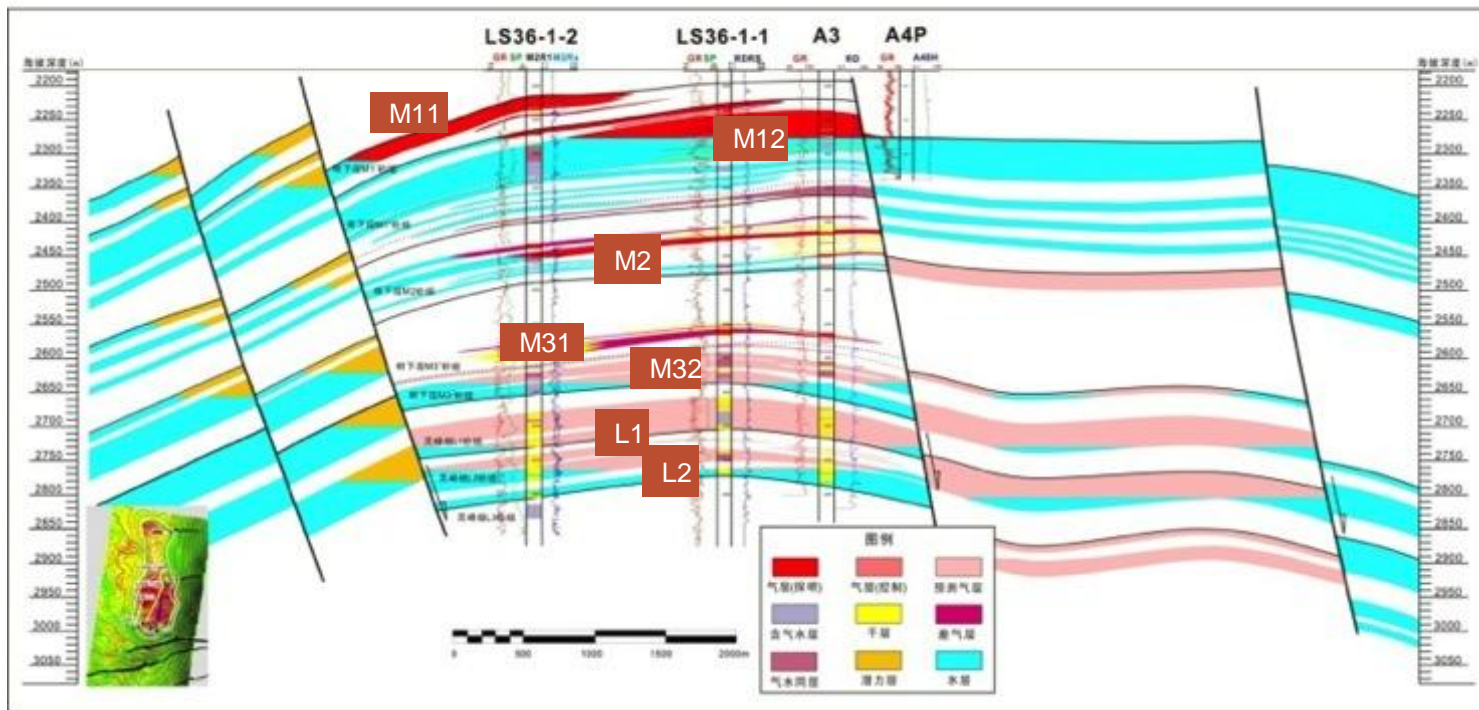
(2) These are partially risked prospective resources that have been risked for chance of discovery, but have not been risked for chance of development.

(3) Total based on an arithmetic aggregation of all the Prospect/Zones and as such there is >90 % chance of exceeding the overall Low Total and <10 % chance of exceeding the overall High Total.

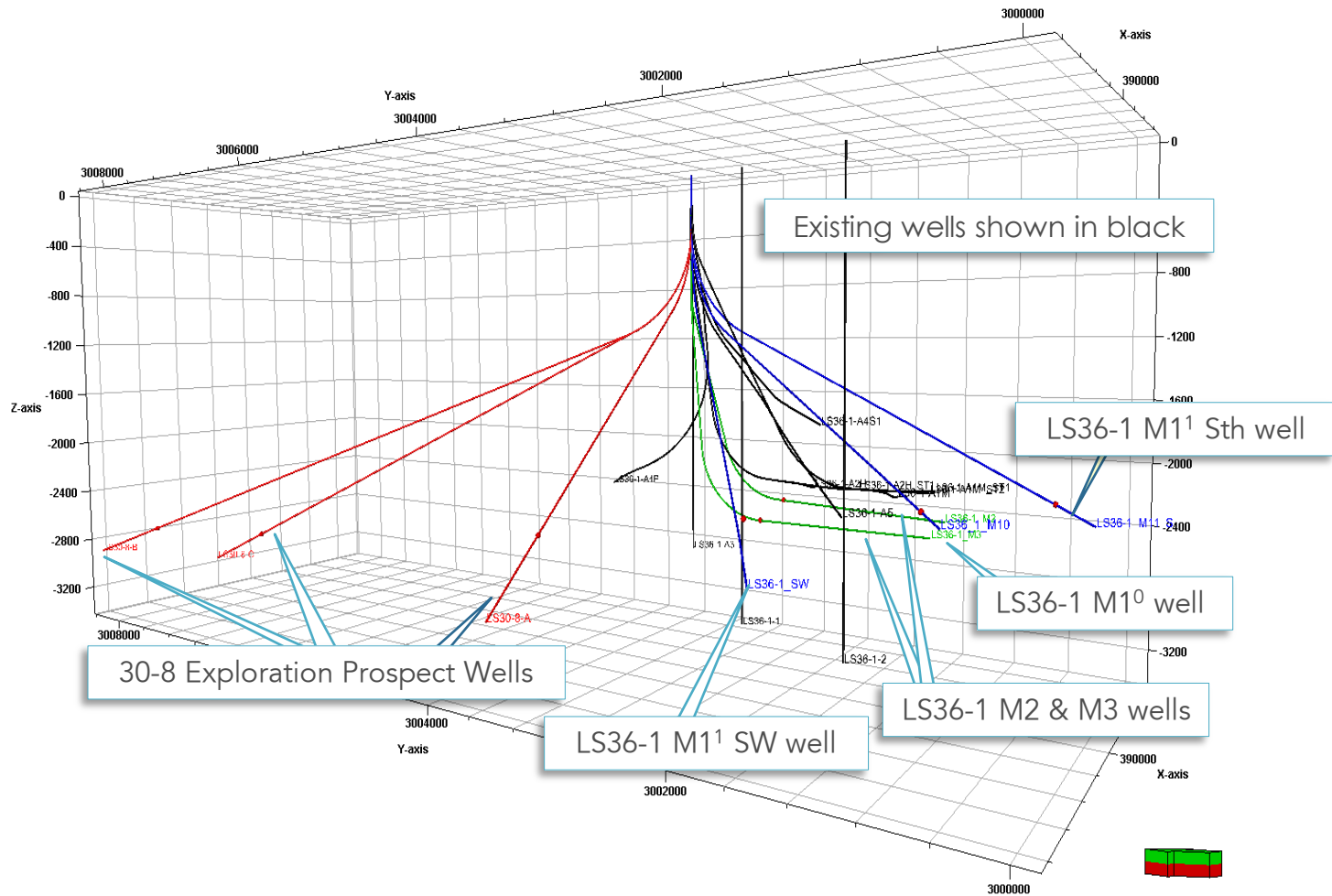
Additional resources in lower zones

- Current Producers are in M1-1 and M1-2 sands.
- Additional gas in other sands and in lower tight reservoirs.

Cross-section of LS36-1

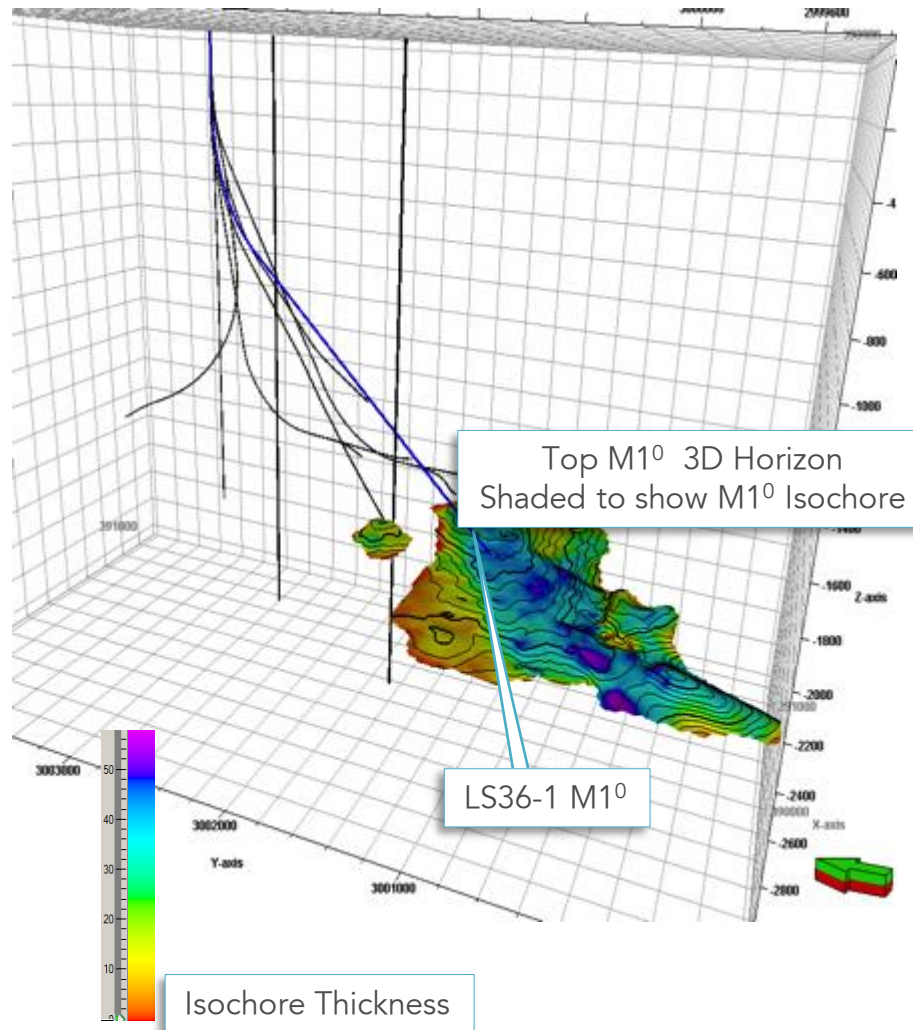


Reserve additions via Phase 2 drilling from platform



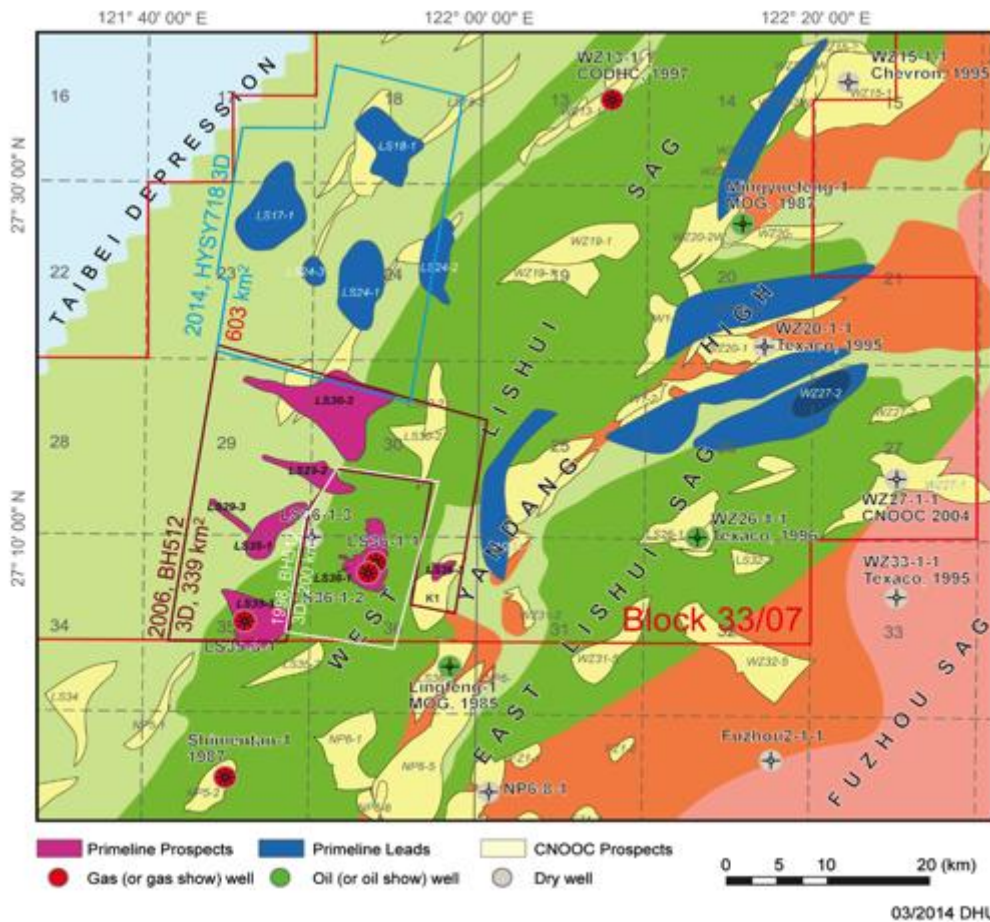
- 8 locations and well tracks selected as candidates for reserve additions

M1⁰ untested sand



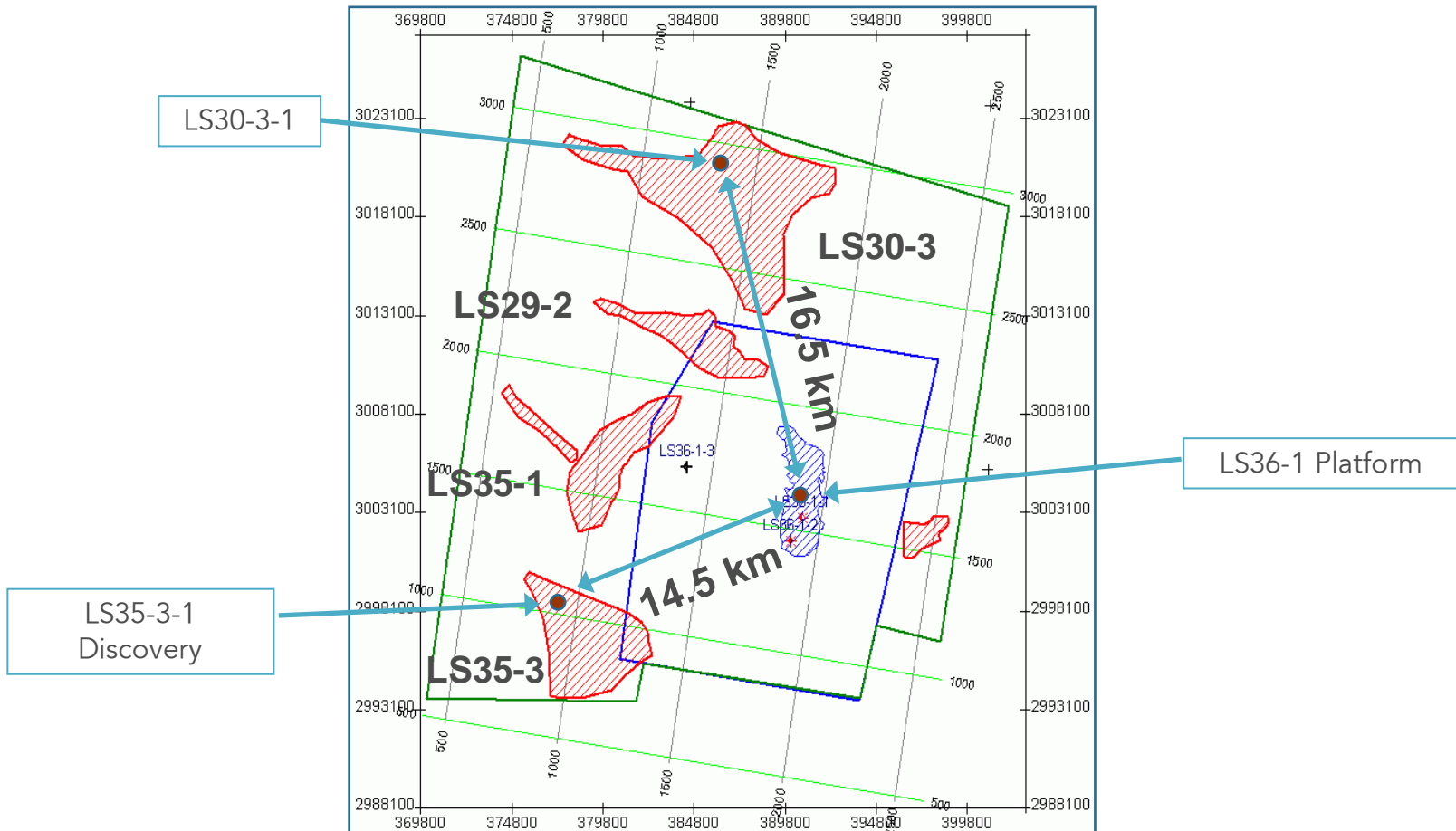
- Designed as deviated well targeted to thick M1⁰ section.
- Well penetrates entire M1⁰ stratigraphic section.
- M10 GIIP calculates with Prospect Range of:
P90: 6.8 P50: 13.3 P10:
26.0 Bcf

LS36-1 field and nearby prospects



- New 600 sq. km 3D seismic in 2014 expanded the coverage in the gas play – acquisition and processing completed and; interpretation in progress.
- Additional 3D seismic may be required for the remainder of the Block where we have identified gas leads through 2D seismic; and to cover the oil play prospects in the eastern part.
- Exploration drilling in 2015 after interpretation of new 3D seismic.

Lishui gas play tiebacks – 2006 3D seismic area



Valuation reflects neither progress to date nor upside potential

- Phase 1 development generates annualised EBITDA of circa C\$80m.
- Selling into one of the most dynamic economies in China – one of the highest gas price regions in the world.
- Long term close relationship with CNOOC.
- Management with proven track record & operational expertise.
- One of the very few offshore gas developments in China - with a world class \$700m+ infrastructure hub.
- Significant catalysts for 2015 and beyond - 5,877 km² concession with TCF plus of upside exploration potential to share infrastructure and 2 wells expected in 2015.

Appendices

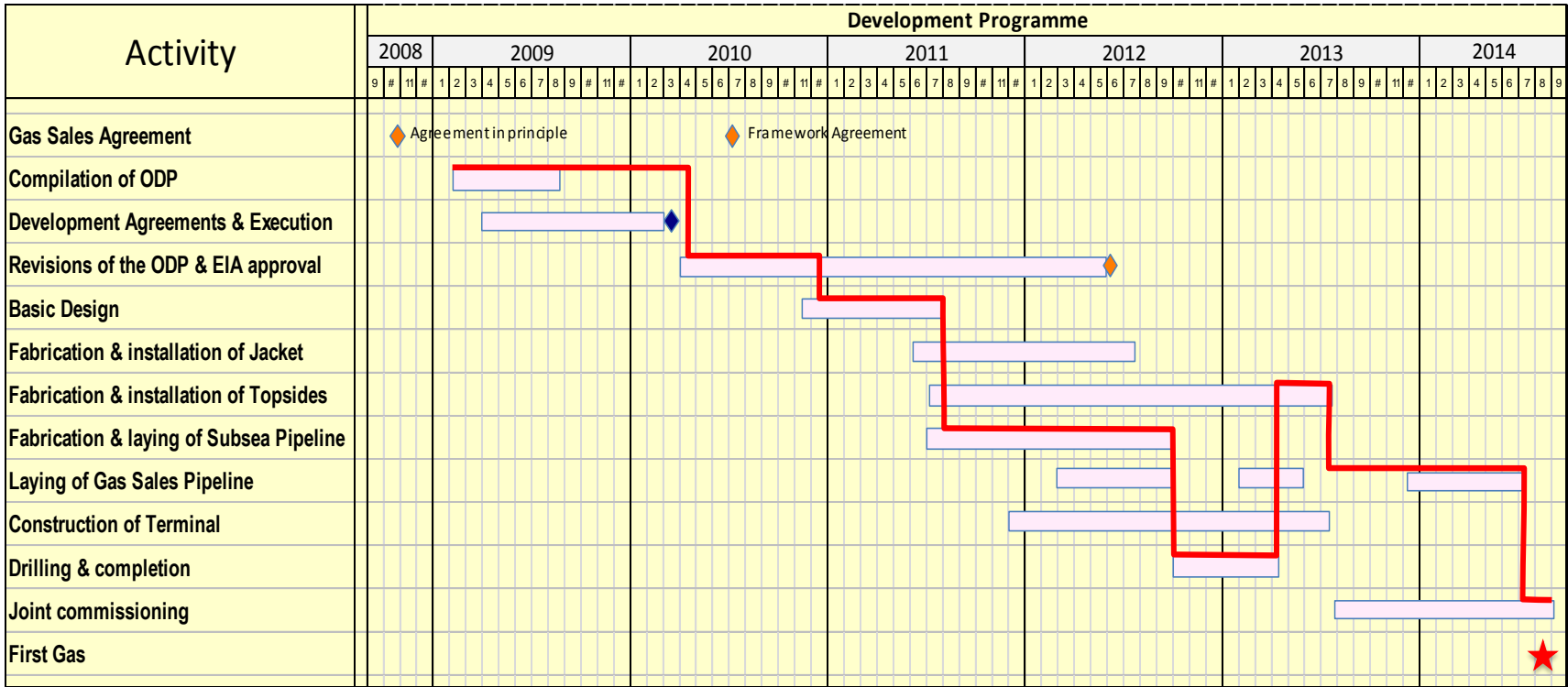
Supplementary Technical and Operational Data

Board of Directors

Management and Technical Team

Corporate Structure

LS36-1: Development schedule



Development Activity [Bar] Critical Path [Red Line]
 Milestone ◆ First production date ★

LS36-1: Development milestones

Commercial Agreements

October 2008	Gas Sale Agreement-in-principle signed, subsequent Framework and Amendment Agreements signed in 2011 and 2012
End 2009	Overall Development Program completed
March 2010	Development Agreements signed

Design and Construction

November 2010	Engineering design commenced
July 2011	Procurement and fabrication commenced
March 2012	Site installation commenced
June 2013	Mechanical Completion of platform, terminal & offshore pipeline
July 2014	Development completed and production commenced

Project Finance

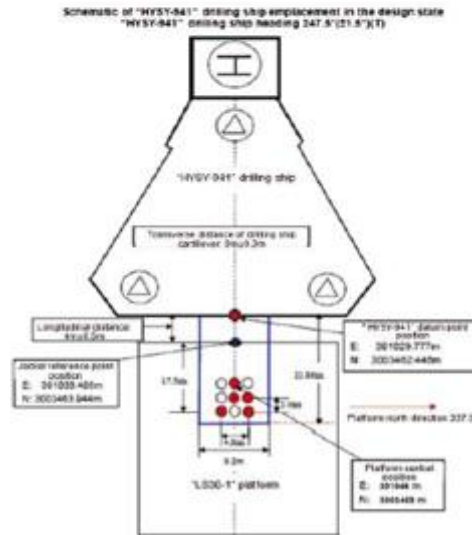
June 2010	Loan Memorandum signed
November 2012	Revised Loan Memorandum signed
November 2014	CDB/EXIM/SPDB Project Finance confirmed, signed and drawdown

Development in images

Jacket Installation
July 2012



Development Drilling
completed April 2013



Topside lifted June 2013,
installation completed June 2013



PRIMELINE
ENERGY HOLDINGS INC.

超準能源

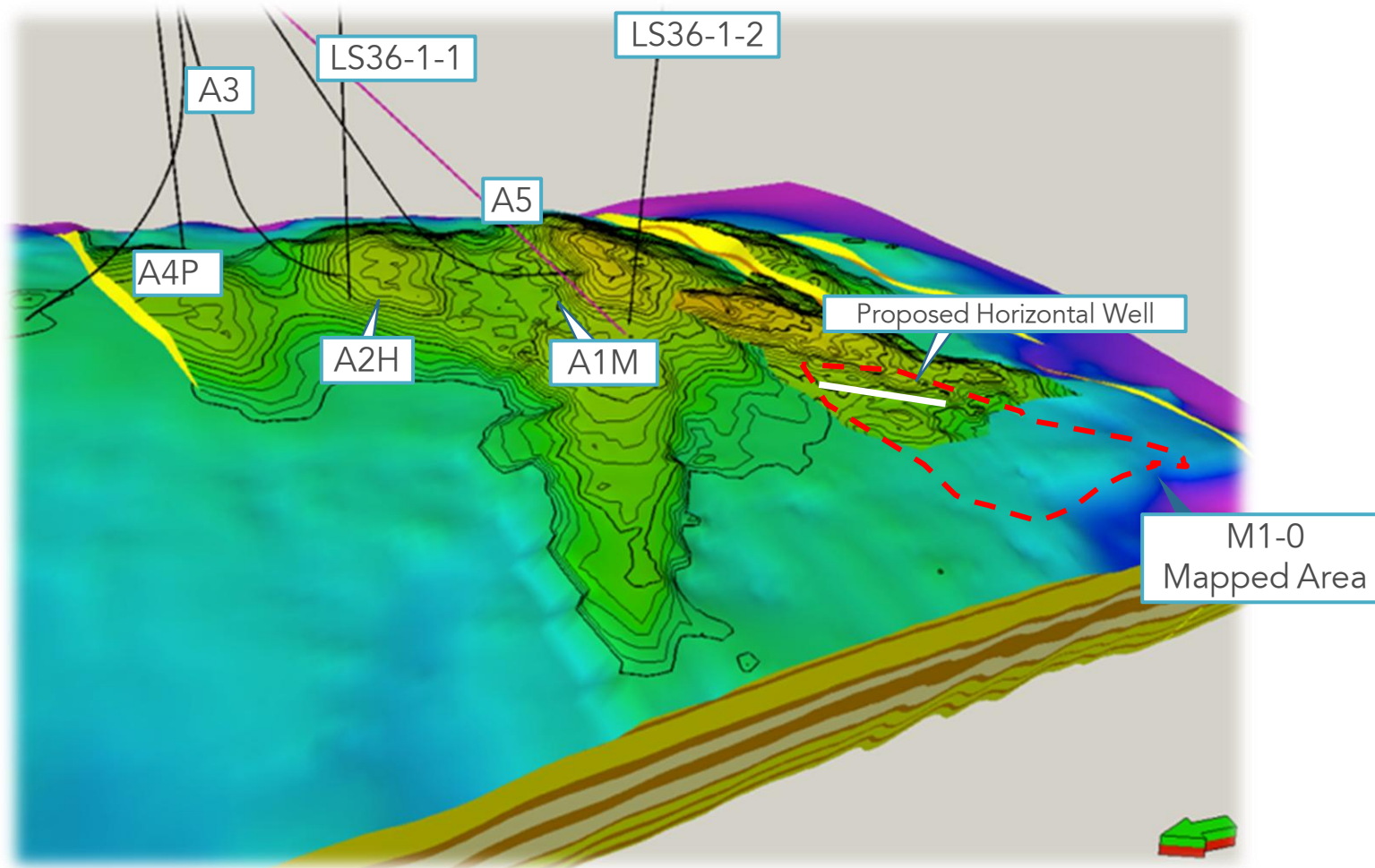
Onshore Processing Terminal – in operation



PRIMELINE
ENERGY HOLDINGS INC.

超準能源

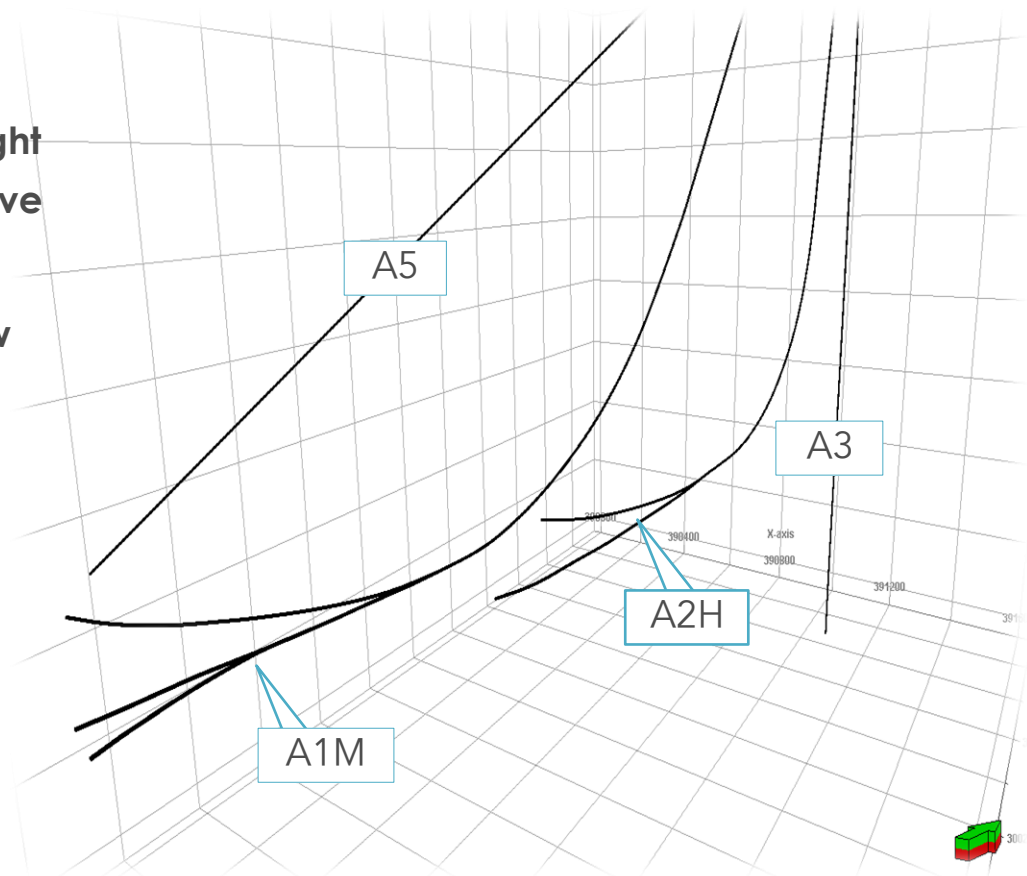
LS36-1: Wells



Top M1-2 / M1-1 Merged & M1-0 (Patch) Contoured to GWC (5m CI)

LS36-1: Production well design

- **Horizontal and Multi-Lateral Gas Production wells increase potential gas rates, especially in tight gas reservoirs, and increase effective drainage area.**
- **A3 drilled as a Vertical well to allow evaluation of deeper intervals. Completed over M1-2 interval.**
- **A1M drilled as 3 branch Multi-Lateral well in M1-1.**
- **A2H drilled as 2 branch Multi-Lateral well in M1-2.**
- **A5 drilled as Deviated well to M1-1 reservoir.**



Board of Directors

Victor Hwang | Chairman and President

Mr. Hwang is Executive Director of the publicly listed Hong Kong Parkview Group Ltd., a division of the family controlled Chyau Fwu Corporation. Parkview's core business includes property development, shipping transportation and hospitality. He is also President of Parkview International London Ltd - the company that sold the Battersea Power Station site in Central London for £400M (US\$780M) in late 2006. Mr. Hwang holds a BSc in Business Administration and has significant business and political relationships in China.

Ming Wang | Director and CEO

(see Management and Technical Team slide)

Brian Chan | Director

Mr. Chan has extensive experience in international banking and commerce. In addition, Mr. Chan is General Manager and Director of the Hong Kong Parkview Group Ltd. He is a Certified Accountant.

Alan Johnson | Non-Executive Director

Mr. Johnson has over 30 years' oil industry experience with various companies particularly in management and operations in Africa, Russia and China. He was Chief Operation Officer for the Cluff Group of Companies 1996-2000. He joined Glencore in 2000 as senior upstream oil manager for Glencore worldwide, looking after projects including a 280,000 bblpd production venture and exploration in Africa and South America.

Board of Directors

Peter Kelty | Non-Executive Director

Mr. Kelty has extensive experience in restructuring and financing major Asian regional corporations as well as advisory work for European and US multi-nationals. Mr. Kelty is a Certified Public Accountant and a member of the Illinois State Bar. He holds a Masters degree in Business Administration with a major in Accounting and is a Doctor of Jurisprudence.

Yunshi Cao | Non-Executive Director

Mr. Cao has over 30 years' oil industry experience in China having retired from CNOOC where he was General Counsel, Company Secretary and Senior Vice President. Mr. Cao was closely involved in the listing of CNOOC Ltd., its subsequent operations and fund raisings.

Vincent Lien | Non-Executive Director

Mr. Lien has over 20 years' experience in the banking industry, specialising in corporate finance and capital management in Hong Kong, the PRC, Singapore and South-east Asia. Mr. Lien held various senior positions at major multinational banking institutions including Swiss Bank, Bankers Trust and ABN AMRO. Mr. Lien is currently a director of various companies including the Maritime & Port Authority of Singapore, Up Energy Development Group Limited and Focus Media Network Limited. Mr. Lien obtained a Bachelor's degree in Business Administration from the University of New Brunswick in 1986.

Management & Technical Team

Ming Wang | Director and CEO

Dr. Wang He joined Primeline in 1994 and was appointed as Vice President of Exploration in December 1996. Since then he has been responsible for all technical and commercial operations for Primeline, including the successful drilling operation of the LS36-1-1 discovery well. Dr. Wang was appointed CEO in 2006. He has extensive knowledge of, and contacts within, China's petroleum industry. He holds a PhD in Geology from Imperial College, London.

Stuart Joyner | Chief Financial Officer

Mr. Joyner joined in 2014 from Sound Oil where he was CFO and has 21 years' experience in the oil and gas sector. Prior to industry, he spent 18 years in investment banking for Investec and Credit Suisse, where he headed sector coverage and previously Morgan Stanley, Dresdner Kleinwort and NatWest Securities. He was highly ranked as an analyst and specialist salesperson in the Extel and Institutional Investor surveys. He holds the ACCA Diploma in Accounting and Finance and graduated with an MA (Hons) in German and French from the University of Edinburgh in 1994.

Andrew Biggs | Senior Vice President and General Counsel

Mr. Biggs joined in 2007 as General Counsel of Primeline and in such capacity he has overseen all legal aspects of Primeline's operations. Between 1981 and 1998, he was a partner with international law firm Richards Butler, both in Hong Kong and London. Mr. Biggs specialised in corporate finance transactions and was involved in many of the early H-share listings of mainland Chinese companies on the HK Stock Exchange. In 1998, Mr. Biggs joined Parkview Group as the Corporate Affairs Director. He is qualified as a solicitor in England and in Hong Kong.

Management & Technical Team

Alan Soulsby | Technical Director

Mr. Soulsby joined as Technical Director in 1994 and was responsible for the initial block selection and the exploration programme which led to the LS36-1 discovery and ongoing evaluation work. He has had a wide and varied career in the petroleum industry with over 35 years' international exploration experience, including managing Exploration Consultants Ltd. for a number of years and managing many large integrated exploration and evaluation projects. He graduated from Oxford University with a degree in Physics in 1970 followed by a Masters in Geophysics.

Brian Thurley | E & P Coordinator

Mr. Thurley joined Primeline in 2014 to work with Alan Soulsby to manage the exploration program and production of the LS36-1 gas field. He has over 35 years' G&G experience in international oil and gas exploration and production projects including International Exploration Manager for Monument Oil and Gas, technical director for Burren Energy, and technical advisor to Bayfield Energy. Mr. Thurley graduated from Imperial College, London.

Mark Norman | Project Director and General Manager, China Office

Mr. Norman joined Primeline in 2012 as Project Director for Primeline's Shanghai office and Vice President in the Lishui Operating Company - the operator of the LS36-1 development - and in June 2014, he became General Manager of Primeline's Shanghai Office. He has over 25 years' experience in project management and has expertise in the delivery of complex projects in the UK and worldwide.

Corporate Structure

Trading Symbols	PEH - TSX Venture Exchange
Outstanding Shares	134.0M
Fully Diluted Shares	145.1M
Fully Diluted Proceeds	7.2M (C\$) C\$0.67 average strike price
Financing	Dec 31 2014: LT debt C\$220.5m and C\$24.5m cash at hand
Auditor	Price Waterhouse Coopers LLP
Major shareholders	Mr. Victor Hwang (approx. 60%) Fidelity Worldwide (approx. 10%) Management (approx. 2.5%)

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