

PROSPECTIVE RESOURCES

The Company's prospective resources have been evaluated by McDaniel & Associates Consultants Ltd. as of March 31, 2017 and are set out below with three separate tables for Natural Gas, condensate and barrels of oil equivalent. The numbers are property gross estimates but include a total company gross estimate in the last row of each table.

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Primeline Energy Holdings Inc.
LS36-1 Development Area & Block 33/07 - People's Republic of China
Summary of Natural Gas Prospective Resources Estimates
Effective March 31, 2017

Prospective Resources - Natural Gas

Prospect	Zone	Prospective Resources - Unrisked (1)				Chance of Disc. % (4)	Chance of Dvpmt % (5)	Risked Pro. Res. Mean MMcf (2)
		Low MMcf	Best Est. MMcf	Mean MMcf	High MMcf			
LS36-1	Paleocene - M1-0	2,740	5,436	6,301	11,055	73	100	4,593
LS36-1	Paleocene - M1-1 South	1,716	3,936	4,729	8,745	73	100	3,447
LS36-1	Paleocene - M2	4,942	14,300	18,929	38,222	60	100	11,357
LS36-1	Paleocene - M3	14,308	31,325	37,045	67,044	70	100	25,932
LS36-1	Paleocene - L1	8,347	23,808	32,791	68,497	50	100	16,395
LS36-1	Paleocene - L2	2,353	5,271	6,448	11,988	40	100	2,579
LS30-8	Paleocene - M2	9,190	27,006	35,747	72,219	17	90	5,405
LS36-1 Development Area (Sub-total)		43,595	111,081	141,989	277,770			69,709
LS23-2 North L2	Paleocene - L2 (T45 to T46.5)	5,656	17,283	25,437	53,677	12	80	2,344
LS23-2 North L3	Paleocene - L3 (T48.5 to T60)	1,893	6,161	9,397	20,514	10	80	758
LS23-2 North	Prospect Total	7,549	23,443	34,834	74,191			3,102
LS23-2 South L2	Paleocene - L2 (T45.9 to T46.5)	2,833	9,087	13,802	29,338	12	80	1,272
LS23-2 South L3	Paleocene - L3 (T47 to T60)	5,626	19,393	29,642	63,941	10	80	2,390
LS23-2 South	Prospect Total	8,459	28,480	43,444	93,278			3,662
LS29-3 M1-2	Paleocene - M1-2	7,607	24,278	35,589	75,152	14	80	4,100
LS29-3	Prospect Total	7,607	24,278	35,589	75,152			4,100
LS35-1 M1-2	Paleocene - M1-2	15,053	42,321	56,974	117,469	14	90	7,384
LS35-1 T50-60	Pal-Cret - T50&T60	6,172	26,727	49,468	116,358	10	90	4,274
LS35-1	Prospect Total	21,225	69,048	106,442	233,827			11,658
Prospect A	Paleocene - M1-2	5,332	16,571	24,127	51,333	26	90	5,559
Prospect A	Prospect Total	5,332	16,571	24,127	51,333			5,559
Prospect B	Paleocene - M1-2	7,798	20,492	26,584	53,363	13	90	3,101
Prospect B	Prospect Total	7,798	20,492	26,584	53,363			3,101
Prospect E North	Paleocene - M1-2	2,755	7,366	9,614	18,902	8	60	433
Prospect E North	Prospect Total	2,755	7,366	9,614	18,902			433
Prospect E South	Paleocene - M1-2	2,509	6,719	8,973	18,070	8	60	404

Prospect E South	Prospect Total	2,509	6,719	8,973	18,070			404
Prospect T1 Channel	Paleocene - M1-2	7,610	23,636	34,220	73,465	21	90	6,338
Prospect T1 Channel	Prospect Total	7,610	23,636	34,220	73,465			6,338
Prospect T3 Deep	Paleocene - L1	10,326	27,565	36,333	73,366	22	90	7,151
Prospect T3 Deep	Prospect Total	10,326	27,565	36,333	73,366			7,151
Block 33/07 (Sub-total)		81,171	247,598	360,158	764,948			45,508
Total - Property Gross (3)		124,766	358,679	502,147	1,042,717			115,216
Total - Company Gross (6)		61,135	175,753	246,052	510,931			56,456

- (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 fully risked prospective resources that have been risked for chance of discovery and for chance of development.
- (3) The Unrisked Total is not representative of the Portfolio Unrisked Total and is provided to give an indication of the resources range assuming all the prospects are successful.
- (4) The LS23-2 N & S total prospect chance of discovery takes into account the inter-dependency between zones.
- (5) The chance of development is defined as the probability of a project being commercially viable.
Quantifying the chance of development requires consideration of both economic contingencies and other contingencies such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to project finance and development timing. As many of these factors are extremely difficult to quantify, the chance of development is uncertain and must be used with caution.
- (6) Company Gross resources are based on a 49.0 percent working interest share of the property gross resources, assuming CNOOC exercise their right to back-in and take a 51 percent interest.

Primeline Energy Holdings Inc.
LS36-1 Development Area & Block 33/07 - People's Republic of China
Summary of Condensate Prospective Resources Estimates
Effective March 31, 2017

Prospective Resources - Condensate		Prospective Resources - Unrisked (1)				Chance of Disc. % (4)	Chance of Dvpmt % (5)	Risky Pro. Res. Mean MMcf (2)
		Low Mbbl	Best Est. Mbbl	Mean Mbbl	High Mbbl			
Prospect	Zone							
LS36-1	Paleocene - M1-0	26	64	79	148	73	100	57
LS36-1	Paleocene - M1-1 South	17	46	59	120	73	100	43
LS36-1	Paleocene - M2	51	172	237	499	60	100	142
LS36-1	Paleocene - M3	146	373	464	890	70	100	324
LS36-1	Paleocene - L1	74	248	364	780	50	100	182
LS36-1	Paleocene - L2	21	57	72	144	40	100	29
LS30-8	Paleocene - M2	94	319	450	956	17	90	68
LS36-1 Development Area (Sub-total)		429	1,279	1,725	3,537			847
LS23-2 North L2	Paleocene - L2 (T45 to T46.5)	52	183	286	623	12	80	26
LS23-2 North L3	Paleocene - L3 (T48.5 to T60)	18	64	104	234	10	80	8
LS23-2 North	Prospect Total	70	247	389	857			35
LS23-2 South L2	Paleocene - L2 (T45.9 to T46.5)	27	96	154	338	12	80	14
LS23-2 South L3	Paleocene - L3 (T47 to T60)	54	200	329	738	10	80	27
LS23-2 South	Prospect Total	81	296	482	1,076			41
LS29-3 M1-2	Paleocene - M1-2	71	252	401	889	14	80	46
LS29-3	Prospect Total	71	252	401	889			46
LS35-1 M1-2	Paleocene - M1-2	141	443	628	1,316	14	90	81
LS35-1 T50-60	Pal-Cret - T50&T60	58	282	553	1,290	10	90	48
LS35-1	Prospect Total	200	724	1,181	2,606			129
Prospect A	Paleocene - M1-2	36	129	201	439	26	90	46

Prospect A	Prospect Total	36	129	201	439			46
Prospect B	Paleocene - M1-2	52	158	222	461	13	90	26
Prospect B	Prospect Total	52	158	222	461			26
Prospect E North	Paleocene - M1-2	18	58	81	168	8	60	4
Prospect E North	Prospect Total	18	58	81	168			4
Prospect E South	Paleocene - M1-2	17	52	75	158	8	60	3
Prospect E South	Prospect Total	17	52	75	158			3
Prospect T1 Channel	Paleocene - M1-2	52	182	288	634	21	90	53
Prospect T1 Channel	Prospect Total	52	182	288	634			53
Prospect T3 Deep	Paleocene - L1	68	214	303	642	22	90	60
Prospect T3 Deep	Prospect Total	68	214	303	642			60
Block 33/07 (Sub-total)		665	2,313	3,622	7,931			443
Total - Property Gross (3)		1,094	3,592	5,348	11,468			1,289
Total - Company Gross (6)		536	1,760	2,620	5,619			632

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- (2) These are fully risked prospective resources that have been risked for chance of discovery and for chance of development.
- (3) The Unrisked Total is not representative of the Portfolio Unrisked Total and is provided to give an indication of the resources range assuming all the prospects are successful.
- (4) The LS23-2 N & S total prospect chance of discovery takes into account the inter-dependency between zones.
- (5) The chance of development is defined as the probability of a project being commercially viable.
Quantifying the chance of development requires consideration of both economic contingencies and other contingencies such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to project finance and development timing. As many of these factors are extremely difficult to quantify, the chance of development is uncertain and must be used with caution.
- (6) Company Gross resources are based on a 49.0 percent working interest share of the property gross resources, assuming CNOOC exercise their right to back-in and take a 51 percent interest.

Primeline Energy Holdings Inc.

LS36-1 Development Area & Block 33/07 - People's Republic of China

Summary of Barrels of Oil Equivalent Prospective Resources Estimates

Effective March 31, 2017

Prospective Resources - Barrels of Oil Equivalent (7)		Prospective Resources - Unrisked (1)				Chance	Chance	Risked
Prospect	Zone	Low	Best Est.	Mean	High	of Disc.	of Dvpmt	Pro. Res.
		Mboe	Mboe	Mboe	Mboe	% (4)	% (5)	Mean Mboe (2)
LS36-1	Paleocene - M1-0	483	970	1,129	1,990	73	100	823
LS36-1	Paleocene - M1-1 South	303	702	848	1,577	73	100	618
LS36-1	Paleocene - M2	875	2,555	3,392	6,870	60	100	2,035
LS36-1	Paleocene - M3	2,530	5,594	6,638	12,064	70	100	4,646
LS36-1	Paleocene - L1	1,465	4,216	5,829	12,196	50	100	2,915
LS36-1	Paleocene - L2	413	935	1,147	2,142	40	100	459
LS30-8	Paleocene - M2	1,626	4,820	6,408	12,992	17	90	969
LS36-1 Development Area (Sub-total)		7,695	19,793	25,390	49,832			12,465
LS23-2 North L2	Paleocene - L2 (T45 to T46.5)	995	3,063	4,525	9,569	12	80	417
LS23-2 North L3	Paleocene - L3 (T48.5 to T60)	333	1,091	1,670	3,653	10	80	135
LS23-2 North	Prospect Total	1,328	4,154	6,195	13,222			552

LS23-2 South L2	Paleocene - L2 (T45.9 to T46.5)	499	1,611	2,454	5,227	12	80	226
LS23-2 South L3	Paleocene - L3 (T47 to T60)	992	3,432	5,269	11,395	10	80	425
LS23-2 South	Prospect Total	1,491	5,043	7,723	16,622			651
LS29-3 M1-2	Paleocene - M1-2	1,339	4,298	6,332	13,414	14	80	729
LS29-3	Prospect Total	1,339	4,298	6,332	13,414			729
LS35-1 M1-2	Paleocene - M1-2	2,650	7,496	10,124	20,894	14	90	1,312
LS35-1 T50-60	Pal-Cret - T50&T60	1,087	4,736	8,797	20,683	10	90	760
LS35-1	Prospect Total	3,737	12,232	18,921	41,578			2,072
Prospect A	Paleocene - M1-2	925	2,891	4,222	8,995	26	90	973
Prospect A	Prospect Total	925	2,891	4,222	8,995			973
Prospect B	Paleocene - M1-2	1,352	3,573	4,653	9,355	13	90	543
Prospect B	Prospect Total	1,352	3,573	4,653	9,355			543
Prospect E North	Paleocene - M1-2	478	1,285	1,683	3,318	8	60	76
Prospect E North	Prospect Total	478	1,285	1,683	3,318			76
Prospect E South	Paleocene - M1-2	435	1,172	1,570	3,170	8	60	71
Prospect E South	Prospect Total	435	1,172	1,570	3,170			71
Prospect T1 Channel	Paleocene - M1-2	1,321	4,122	5,991	12,878	21	90	1,110
Prospect T1 Channel	Prospect Total	1,321	4,122	5,991	12,878			1,110

Prospect T3 Deep	Paleocene - L1	1,789	4,808	6,358	12,870	22	90	1,251
Prospect T3 Deep	Prospect Total	1,789	4,808	6,358	12,870			1,251
Block 33/07 (Sub-total)		14,194	43,579	63,649	135,422			8,027
Total - Property Gross (3)		21,889	63,372	89,039	185,254			20,492
Total - Company Gross (6)		10,725	31,052	43,629	90,775			10,041

(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 fully risked prospective resources that have been risked for chance of discovery and for chance of development.

(3) The Unrisked Total is not representative of the Portfolio Unrisked Total and is provided to give an indication of the resources range assuming all the prospects are successful.

(4) The LS23-2 N & S total prospect chance of discovery takes into account the inter-dependency between zones.

(5) The chance of development is defined as the probability of a project being commercially viable.

Quantifying the chance of development requires consideration of both economic contingencies and other contingencies such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to project finance and development timing. As many of these factors are extremely difficult to quantify, the chance of development is uncertain and must be used with caution.

(6) Company Gross resources are based on a 49.0 percent working interest share of the property gross resources, assuming CNOOC exercise their right to back-in and take a 51 percent interest.

(7) 6 Mcf is equivalent to 1 boe. Note BOEs may be misleading particularly if used in isolation. The BOE conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

July 21, 2017

Primeline Energy Holdings Inc.
c/o Maples and Calder, Attorneys-At-Law
Ugland House
South Church Street
Grand Cayman
Cayman Islands
British West Indies

Attention: The Board of Directors of Primeline Energy Holdings Inc.

Re: **Form 51-101F2**
Report on Reserves and Prospective Resources Data
by Independent Qualified Reserves Evaluator
of Primeline Energy Holdings Inc. (the “Company”)

To the Board of Directors of Primeline Energy Holdings Inc. (the “Company”):

1. We have evaluated the Company’s reserves and prospective resources data as at March 31, 2017. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at March 31, 2017 estimated using forecast prices and costs. The prospective resources data are risked estimates of volume of prospective resources as at March 31, 2017, estimated using forecast prices and costs.
2. The reserves and prospective resources data are the responsibility of the Company’s management. Our responsibility is to express an opinion on the reserves and prospective resources data based on our evaluation.
3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the “COGE Handbook”) maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).
4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves and prospective resources data are free of material misstatement. An evaluation also includes assessing whether the reserves data and prospective resources are in accordance with principles and definitions presented in the COGE Handbook.

5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended March 31, 2017, and identifies the respective portions thereof that we have evaluated and reported on to the Company's Board of Directors:

Independent Qualified Reserves Evaluator	Effective Date of Evaluation Report	Location of Reserves	Net Present Value of Future Net Revenue \$M US (before income taxes, 10% discount rate)			
			Audited	Evaluated	Reviewed	Total
McDaniel & Associates	March 31, 2017	China	-	158,980	-	158,980

6. The following table sets forth the risked mean volume of natural gas and natural gas liquid prospective resources included in the Company's statement prepared in accordance with Form 51-101F1 and reported on to the Company's Board of Directors:

Classification	Independent Qualified Reserves Evaluator	Effective Date of Evaluation Report	Location of Resources Other than Reserves	Risked Volume
Prospective Resources	McDaniel & Associates	March 31, 2017	China	56,456 MMcf Natural Gas 632 Mbbl NGL

7. In our opinion, the reserves and prospective resources data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves and prospective resources data that we reviewed but did not audit or evaluate.
8. We have no responsibility to update our report referred to in paragraphs 5 and 6 for events and circumstances occurring after the effective date of our report.
9. Because the reserves and prospective resources data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

MCDANIEL & ASSOCIATES CONSULTANTS LTD.

"C. T. Boulton"

C. T. Boulton, P. Eng.
Vice President

Calgary, Alberta, Canada
July 21, 2017

Form 51-101F3
Report of
Management and Directors
on Oil and Gas Disclosure

This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101").

1. Terms to which a meaning is ascribed in *NI 51-101* have the same meaning in this form.¹
2. The report referred to in item 3 of section 2.1 of *NI 51-101* must in all material respects be as follows:

**Report of Management and Directors
on Reserves Data and Other Information**

Management of Primeline Energy Holdings Inc. (the "Company") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data and prospective resources data.

An independent qualified reserves evaluator has evaluated the Company's reserves data and prospective resources data. The report of the independent qualified reserves evaluator is presented below and will be filed with securities regulatory authorities concurrently with this report.

The board of directors of the Company has

- (a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation and
- (c) reviewed the reserves data and prospective resources data with management and the independent qualified reserves evaluator.

The board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has approved

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data, prospective resources data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data and prospective resources data; and
- (c) the content and filing of this report.

Because the reserves data and prospective resources data are based on judgements regarding future events, actual results will vary and the variations may be material.

¹ For the convenience of readers, CSA Staff Notice 51-324 *Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities* sets out the meanings of terms that are printed in italics in sections 1 and 2 of this Form or in *NI 51-101*, *Form 51-101F1*, *Form 51-101F2* or Companion Policy 51-101CP.

“Ming Wang”

Ming Wang, Chief Executive Officer and Director

“Brian Chan”

Brian Chan, Director

“Andrew Biggs”

Andrew Biggs, Senior Vice President

“Peter Kelty”

Peter Kelty, Director

July 31, 2017