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TSXV: PEH

NEWS RELEASE

PRIMELINE ANNOUNCES APPROVAL OF DEVELOPMENT FINANCE

Primeline Energy Holdings Inc. (“Primeline” or the “Company”) (TSXV: PEH) is pleased to announce that it has received confirmation that the credit committee of China Development Bank (“CDB”) has approved in principle the project finance facility to be made available by CDB to the Company for the development of the LS36-1 gas field (“Development”).

As announced by Primeline on November 8, 2012, Primeline Energy China Limited (“PECL”), a 100% subsidiary of the Company, Primeline Petroleum Corporation (“PPC”), a company wholly owned by the Company’s chairman and controlling shareholder Mr. Victor Hwang, and CDB previously entered into a loan memorandum (“Loan Memorandum”) setting out the terms of a loan facility for PECL and PPC’s share of the costs of the Development.

The Loan Memorandum was subject to the approval of CDB’s credit committee and Primeline has now been informed that the CDB credit committee has approved in principle the granting of the loan of US\$300 million substantially on the terms of the Loan Memorandum, subject to concluding arrangements with Primeline for security before the Development reaches the design production level specified in the Overall Development Program (“ODP”) in addition to that provided for in the Loan Memorandum.

Primeline and CDB are now in the process of negotiating and finalising the formal loan agreement and the security arrangements and documentation. A further announcement will be made when the loan agreement is signed.

The formal loan agreement will be signed after the approval of the ODP by the National Development and Reform Commission. However, under the terms of the agreements relating to the Development entered into by Primeline, PPC and CNOOC in March 2010, Primeline has no

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obligation to provide funding for the Development until after such approval has been obtained. In the meantime, CNOOC continues to be responsible for all work in order to ensure that the Development remains on schedule. CNOOC has made significant progress on the Development which is currently expected to be completed in the third quarter of 2013.

About Primeline Energy Holdings Inc.

Primeline is an exploration and development company focusing exclusively on China resources to become a major supplier of gas and oil to the East China market. Primeline has a 75% Contractor's interest in and is the operator of the petroleum contract with CNOOC for Block 33/07 in the East China Sea and a 36.75% interest in the LS36-1 gas field in Block 25/34 which is being developed by CNOOC (acting as Operator for the Development) together with Primeline and PPC. Shares of the Company are listed for trading on the TSX Venture Exchange under the symbol PEH.

ON BEHALF OF PRIMELINE ENERGY HOLDINGS INC.

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

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This news release may contain assumptions, estimates, and other forward-looking statements regarding future events. In particular, this news release contains forward-looking statements related to entry into a binding loan agreement with China Development Bank. Such forward-looking statements involve inherent risks and uncertainties and are subject to factors, many of which are beyond the Company's control that may cause actual results or performance to differ materially from those currently anticipated in such statement. In particular, it may not be possible to conclude a binding loan agreement with China Development Bank, and if so, the Company will have to make other arrangements to finance its share of the development costs, which may or may not be possible to conclude on advantageous terms or at all. Further, the commencement of gas production may be delayed. Readers should not place undue reliance on forward-looking statements.