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TSXV: PEH

NEWS RELEASE

LS36-1 GAS FIELD DEVELOPMENT RECEIVES FINAL GOVERNMENT APPROVAL

Primeline Energy Holdings Inc. ("Primeline" or the "Company") (TSXV: PEH) today announced that the overall development programme for its LS36-1 gas field development ("Development") has received final approval from the Chinese Government.

China National Offshore Oil Corporation (CNOOC) notified Primeline today that the National Development and Reform Commission (NDRC) has approved the Development. This approval allows the project Operator, CNOOC, which holds a 51% interest in the Development, to finalise plans for the commencement of gas production. During the last 3 years CNOOC has completed the majority of the development work, including the production platform, development wells, subsea pipeline, gas processing terminal and the offshore section of the gas sales pipeline. The remaining development work includes the laying of the last 3 km of the gas sales pipeline, connection to the provincial gas grid and final commissioning. Construction of the final 3 km of gas sales pipeline commenced in April 2014 and is expected to be completed in June. CNOOC currently envisages that the gas production will commence in Q3 2014, subject to final coordination with the downstream buyer, Zhejiang Provincial Gas Development Co. A separate announcement will be made when the first gas date is fixed and gas production commences.

This approval also allows Primeline and Primeline Petroleum Corporation (PPC), who hold 36.75% and 12.25% interests respectively in the Development, to finalise the financing arrangements for their share of the costs of the Development. Under agreements entered into with CNOOC in relation to the Development, Primeline and PPC would have no obligation to fund cash calls in relation to their share of the costs of the Development until 3 months from the date of the government approval. Primeline and PPC have previously entered into a non-binding Loan Memorandum with China Development Bank ("CDB") relating to funding for their share of the cost of the

London England
Fourteen South Audley Street
London | W1K 1HN
England | UK
Tel +44 20 7499 8888
Fax +44 20 7499 2288

Hong Kong China
Hong Kong Parkview
88 Tai Tam Reservoir Road
Hong Kong | China
中國香港大潭水塘道88號陽明山莊
Tel 電話 +852 2810 5511
Fax 圖文傳真 +852 2810 0667

Shanghai China
Suite 22N | Cross Region Plaza
899 Ling Ling Road
Shanghai | 200030 | China
中國上海零陵路 899 號
(飛洲國際廣場) 22N座 郵編 200030
Tel 電話 +86 21 6468 6462
Fax 傳真 +86 21 6468 6467



Development, which received an in principle approval from CDB's Credit Committee in January 2013, subject to final approval of the NDRC and finalisation of the loan documentation and security arrangements. Primeline and PPC are negotiating and finalising the formal loan agreement and security arrangements with CDB. A separate announcement will be made when the finance arrangements have been finalised.

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 (5,877sq km) 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 Limited (acting as Operator for the development) together with Primeline and Primeline Petroleum Corporation. 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
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

Robin Cook,
Senior Account Manager
Phone: +1 416.868.1079 ext 228
Fax: +1 416.868.6198
Email: robin@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 bren@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 the expected date for completion of the final 3Km of gas sales pipeline and the expected times for commencement of gas production. They are based on assumptions that the construction of the gas sales pipeline and joint commissioning of the production facility will be completed on a timely basis, and that funding arrangements for the Development can be completed. The construction of the gas sales pipeline and the joint commissioning may not be completed on a timely basis, costs may exceed those expected and it may not be possible to complete funding arrangements. Exploration for oil and gas is subject to the inherent risk that it will not result in a commercial discovery.

Neither 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.