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Hong Kong, China  
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TSXV: PEH

## NEWS RELEASE

### PRIMELINE CONFIRMS PROJECT FINANCE

**Primeline Energy Holdings Inc.** ("Primeline" or the "Company") (TSXV: PEH) announces that it has confirmed the financing for its share of the costs of the LS36-1 gas field development ("Development").

Primeline and its affiliate company Primeline Petroleum Corp ("PPC") secured support from China Development Bank ("CDB") for their share of the Development cost in May 2010 when a loan memorandum was signed. In November 2012, CDB, Primeline and PPC entered into a revised Loan Memorandum which was approved in principle by CDB's credit committee in January 2013. It was originally intended that the financing would be by way of a simple bilateral loan. However, in May 2014, CDB decided to syndicate the project finance loan.

CDB has now confirmed that it has completed syndication of the loan. The syndicate consists of CDB and China Export and Import Bank ("EXIM") as joint lead arrangers and Shanghai Pudong Development Bank ("SPDB") as participant and agent bank. The facility will be made available to Primeline and PPC on a joint borrower basis secured on their respective interests in the Development. The facility will be for a total amount of US\$ 274 million (of which the Company's share is US\$ 205.5 million) and will be repayable over 9 years at an all-in interest rate of LIBOR+4.7%. The facility has been approved by the credit committees of all three banks. The first syndication meeting was held on 6<sup>th</sup> November when the syndication structure and loan details were confirmed. The loan contract has been negotiated over the past few months and has now been substantially agreed. It is presently intended that the binding loan contract and related security documentation will be finalised, executed and implemented before the middle of December 2014 when a further announcement will be made.

The loan facility is sufficient to cover all of the obligations of Primeline and PPC with respect to the costs of the Development to date. The Development has been completed with trial production having started in July 2014. The trial production has been progressing well with most of the

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facilities now fully commissioned and production running smoothly. Confirmation of the production details is expected to be announced soon.

Victor Hwang, Chairman and President of Primeline commented: “We are very pleased to confirm the support of the two main policy banks in China to lead the long term finance of our project. This highlights that although LS36-1 development is a modest project by international standards, it is strategically important to the development of gas reserves and infrastructure in China. We are also pleased with the participation of Shanghai Pudong Development Bank which will provide commercial bank operational support. The development of a production hub in the southern East China Sea basin and Primeline’s relationship with these important Chinese financial institutions provides us with a launching pad for the next stage of our rolling development led exploration programme”.

#### **About CDB, EXIM and SPDB**

CDB (<http://www.cdb.com.cn>) and EXIM (<http://www.eximbank.gov.cn>) are the two main (of three) policy banks in China. They are both under the direct jurisdiction of the State Council. Debt issued by CDB and EXIM is fully guaranteed by the central government of the People's Republic of China. Their international credit ratings are the same as China's sovereign ratings.

CDB had assets of over US\$ 1.3 trillion at the end of 2013. It is primarily responsible for raising funding for large infrastructure projects. CDB is one of the biggest issuers of bonds in China. EXIM has assets of over US\$ 330 billion.

SPDB (<http://www.spdb.com.cn>) is a commercial bank that has been listed on the Shanghai Stock Exchange since 1999 and was set up primarily to support the development of Pudong district in Shanghai but has grown into a major player in China. At the end of June 2014, its assets stood at over US \$640 billion.

#### **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, together with CNOOC Limited (51% interest and acting as Operator for the field development and production) and PPC (12.25% interest). 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

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*Please visit the Company's website at [www.pehi.com](http://www.pehi.com). should you wish to receive Company news via email, please email [robin@chfir.com](mailto:robin@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 execution of a binding loan contract by CDB, EXIM, SPDB, Primeline and PPC. They are based on assumptions that the final terms of syndicated loan will reflect the content of the discussions Primeline and PPC have had with CDB, EXIM and SPDB and will be executed according to the present schedule. The terms of loan contract may not reflect those discussions, and may not be executed according to the present schedule or at all. The Company may not be able to contribute its full share of the development costs and if it is not, may default on its obligations under the petroleum contract. Exploration for oil and gas is subject to the inherent risk that it will not result in a commercial discovery.*

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